

United Nations Economic Commission for Europe

Transport & Trade Infrastructure

Using international standards to integrate international supply chains

Eoin ONeill Geneva, 29th March 2011









Same Day, Time Definite, **Day Definite**

- Same Day
- StartDay Express
- MidDay Express
- Worldwide Document **Express**
- Wordwide Parcel **Express**
- Import Express
- **European Community Express**

€11.1bn rev

- 8 million customers
- 36 Hubs and 4,700 bases
- 350 aircraft, 72,000 vehicles



Europe-wide Transport, **Specialties**

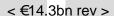
- Domestic Roadfreight
- Eurorail
- Specialties
- Trade Fairs & Events
- Customs services

GLOBAL FORWARDING

Air Freight and Ocean Freight Services

- Air Freight
- **Industrial Projects**

- Ocean Freight
- Customer Program Management (CPM)



- 30 countries and territories
- 160 terminals
- 2m full truck load movements
- 150 countries and territories
- 813 terminals & warehouses
- 4.4m Air TEU; 2.8m Ocean TEU



Customized Logistics and Industry **Solutions**

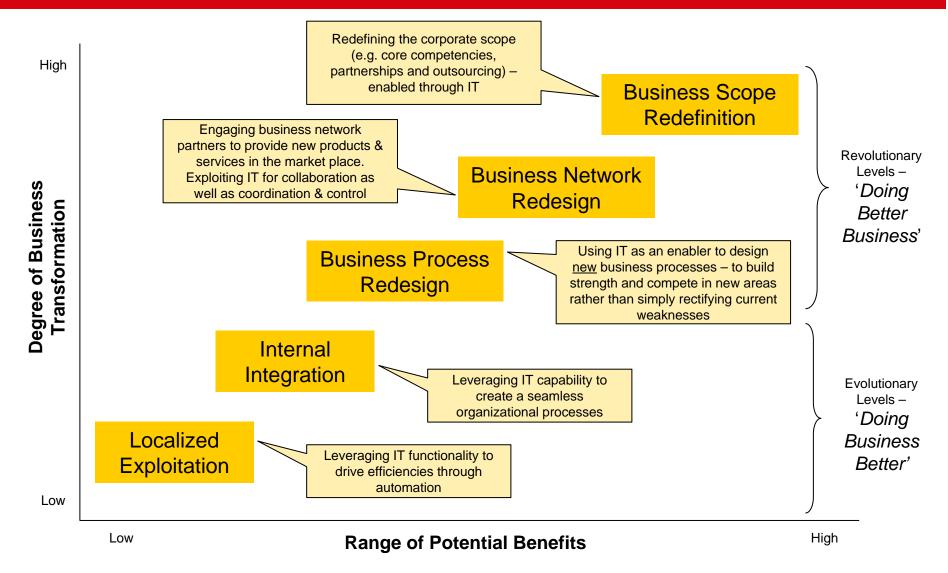
- Supply Chain Mgt
- Warehousing
- Distribution
- Value Added Services
- Logistics Outsourcing
- Lead Logistics Provider Services

€13.3bn rev

- c120k staff in 59 countries
- 2,500 logistics centers, warehouses, terminals
- 23million m² storage capacity



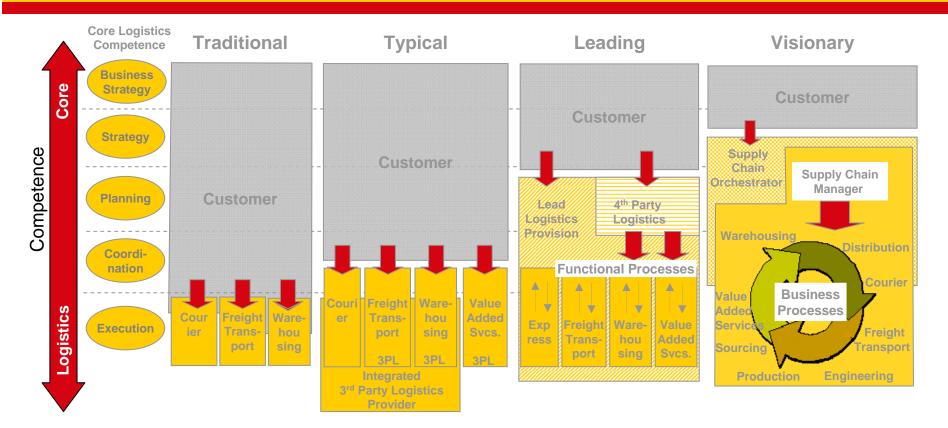
Five levels of IT-enabled Business Transformation *



^{*} Source: N. Venkatraman – School of Management, Boston Univ



Evolving Business Models in Logistics Outsourcing



- Local / regional reach
- Single function transactional relationship
- Physical asset-heavy process execution
- Cost-plus management fee
- Fixed upfront cost to change

- Global reach, with door-to-door coverage
- Strategic multi-functional partnerships to enable business transformation & growth
- Reduced need for capital
- Bringing integrated IT solutions ready to use
- Continuous innovation (cost & service)
- Risk/Gain share



Case Study – using International Standards to Redefine the Business

Global mobile handset & smart phone manufacturer What they did

- Redesigned the Inbound to Manufacturing (I2M) business model
- Implemented Vendor Managed Inventory (VMI)
- Transitioned from 'Just in Case' to 'Just in Time" (JIT) inventory management



How they did it

- Established nine Inbound Hubs for manufacturing
- Harmonized business processes globally, and across the inbound supply chain
- Selected RosettaNet (UN/CEFACT standard for Tech sector) as the de facto standard for B2B process integration with over 100 suppliers
- Leveraged IT to provide global visibility of goods on hand and goods in transit for 350 suppliers and scores
 of carriers

The benefits

Improved efficiency by automating the business network

Reduced carrier costs through optimal selection

Transformed ownership & risk within the supply chain – goods are paid for at the point of consumption

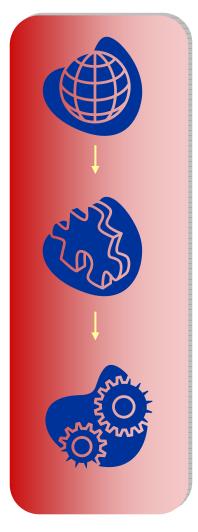
Reduced capital costs Ithat were tied up in warehousing & distribution

Increased customer service levels – by having the right product in the right place at the right time

Optimised inventory through JIT replenishment



e-Business Standards at DHL



Operate a profitable global business

- Use e-Business to help standardize business processes and encourage re-use
- Reduce operational overheads through process simplification and standardization
- Enable advanced business models that provide global coverage and consistency

Ability to deliver consistent, effective and innovative solutions

- Use e-Business to create a competitive edge
- Establish global standards-based services leading to robust, replicable customer solutions
- Reduce implementation & running costs; increase margins and benefits to the customer.

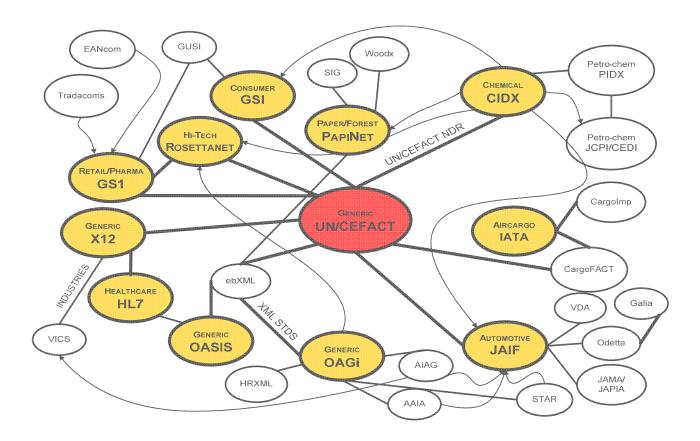
Understand & Manage our Business Better

- More in depth visibility of the information supply chain, better control of the process, improved business performance, and reduced organizational cost
- Making change a part of the process agility is key to a successful business
- Allow operational teams more control of the supply chain, allowing in-flight changes and decisions to be made easily, reducing the risk of failure

e-Business Standards at DHL **Relationships with Standards Organizations**



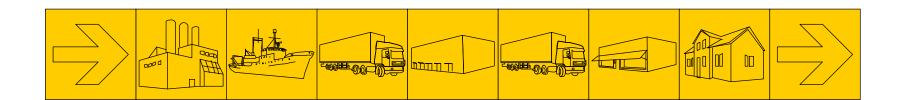
- DHL is proactively engaged in the use and definition of e-Business standards (e.g. UN EDIFACT, RosettaNet, OAG, GS1, IATA, ANSI)
- Standards organizations provide a supporting community
- Effective collaboration between standards organizations is critical



Case Study – using International Standards to Redefine the Business

Conclusions:

- The information supply chain is <u>as important</u> as the physical distribution of goods
- Establishing a globally integrated supply chain comprising a network of hundreds of business partners – is <u>impossible</u> without harmonizing your business processes and implementing recognized international standards for exchanging supply chain information
- Having established your standards for integration use portal technology to <u>publish</u> your standards and <u>grow</u> your business network. Make it easy for people to 'do the right thing'!



THANK YOU FOR YOUR ATTENTION