



United Nations Economic Commission for Europe

Transport & Trade Infrastructure

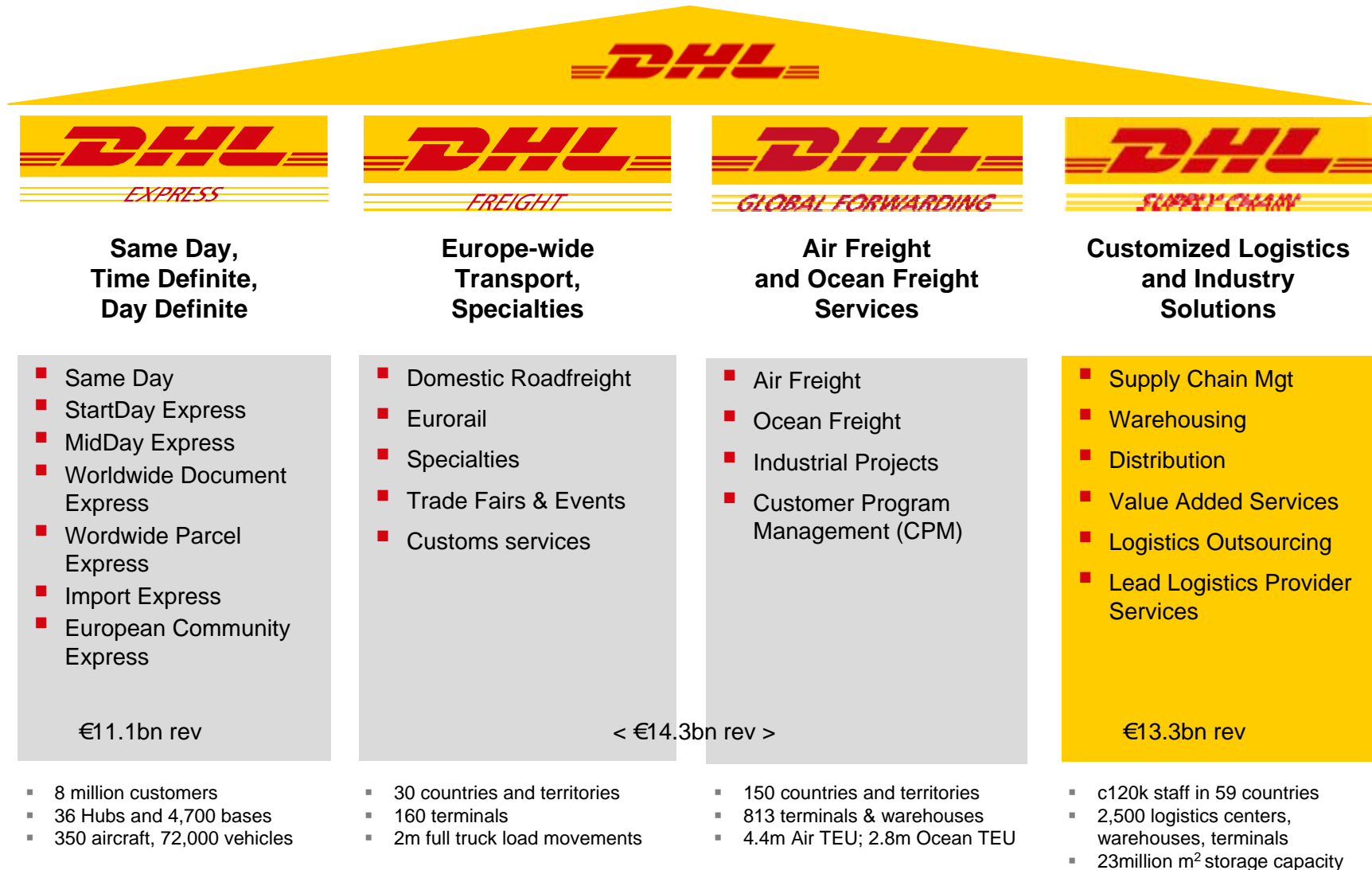
Using international standards to integrate international supply chains

Eoin O'Neill

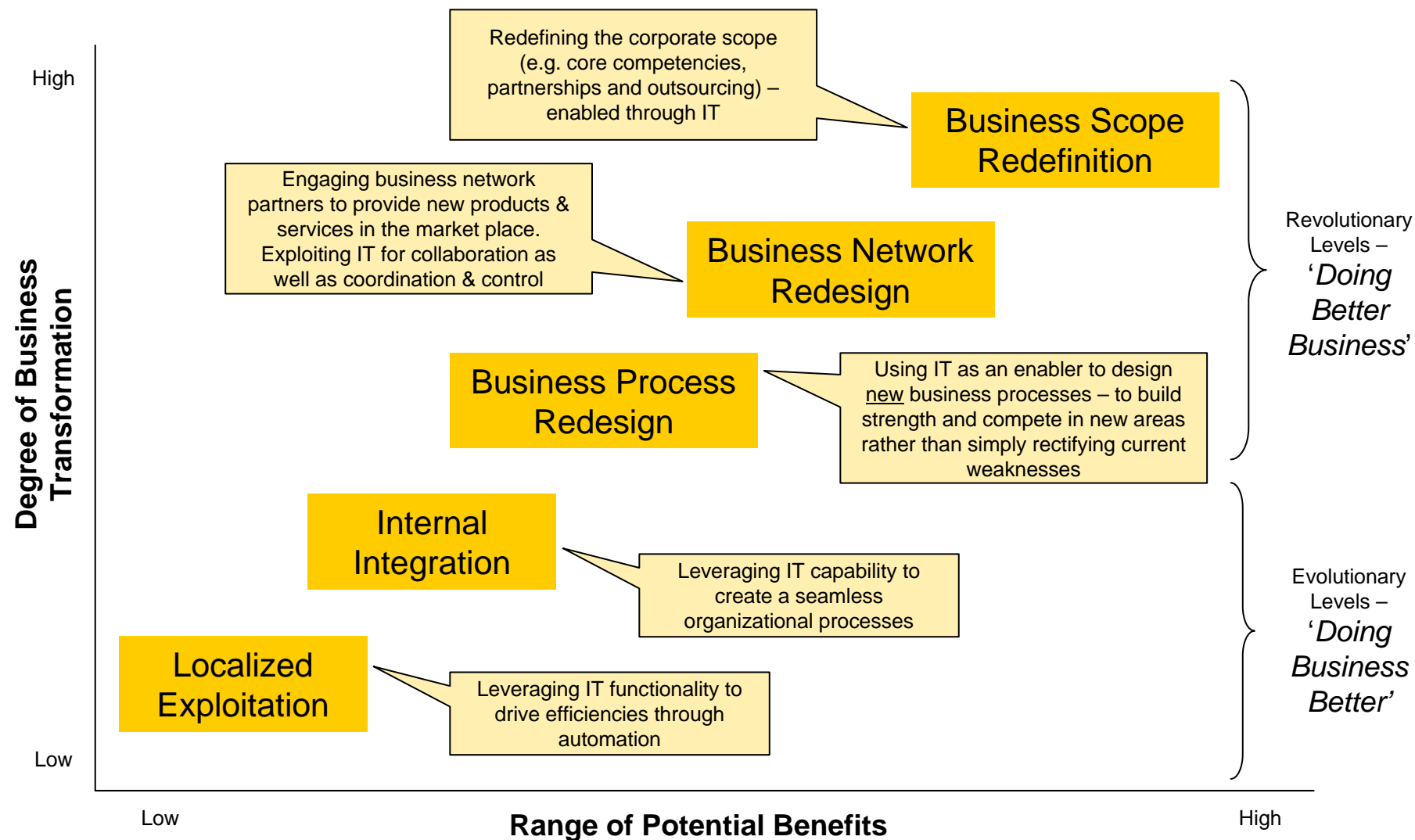
Geneva, 29th March 2011



DHL Overview

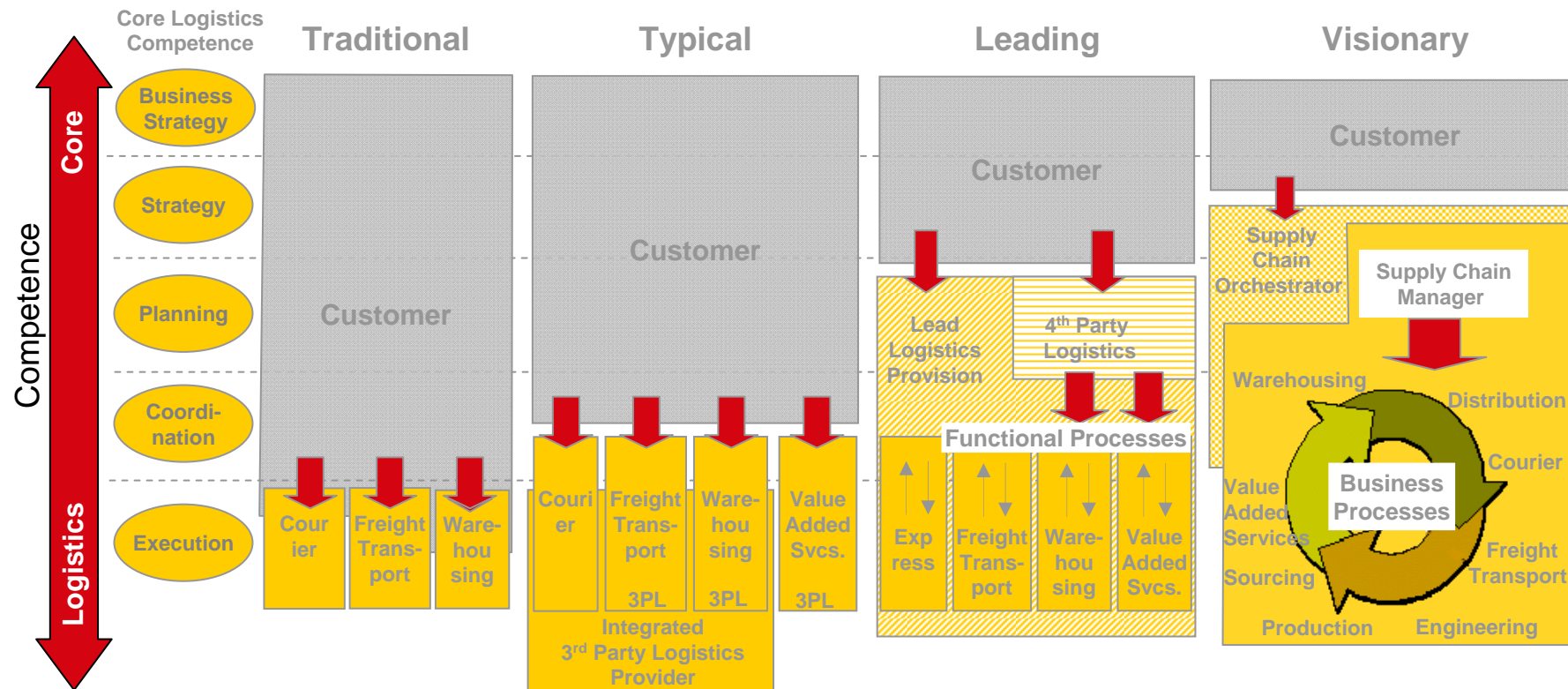


Five levels of IT-enabled Business Transformation *



* 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



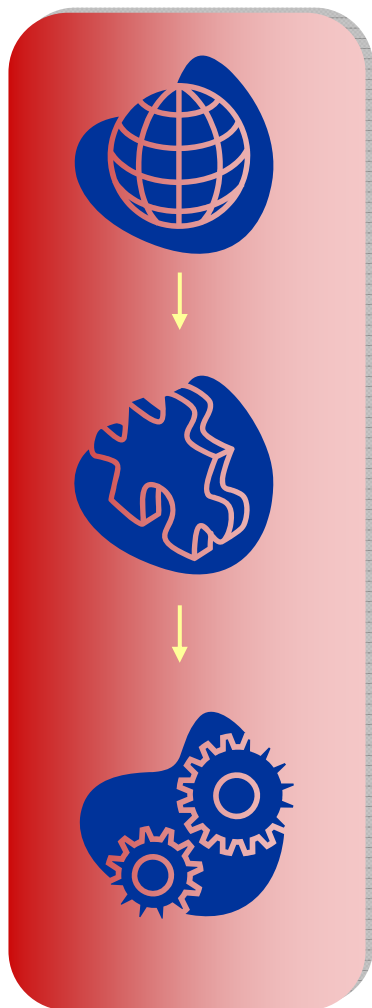
How they did it

- 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



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

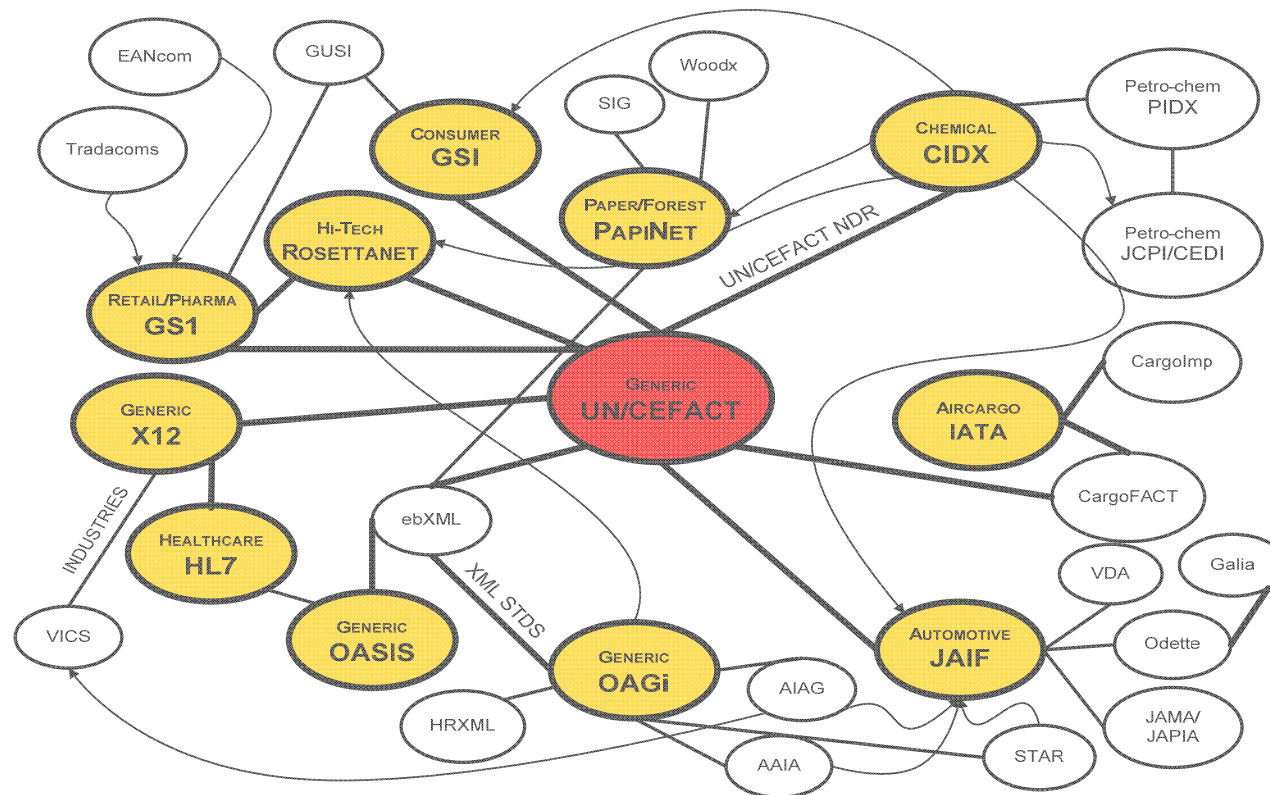
- More in depth visibility of the information supply chain, better control of the process, improved business performance, and reduced organizational cost
- Making change a part of the process – agility is key to a successful business
- Allow operational teams more control of the supply chain, allowing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

e-Business Standards at DHL

Relationships with Standards Organizations



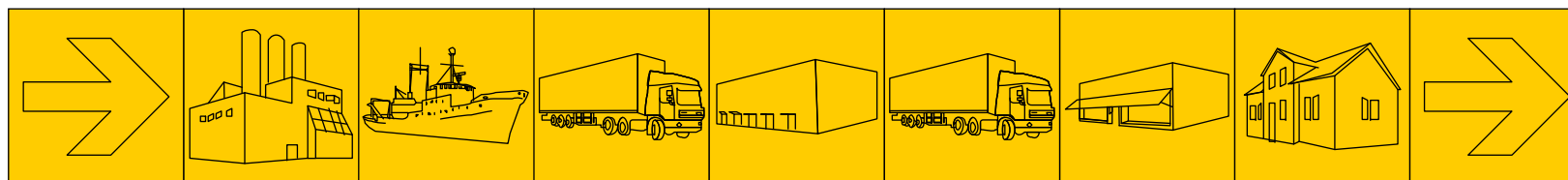
- DHL is proactively engaged in the use and definition of e-Business standards (e.g. UN EDIFACT, RosettaNet, OAG, GS1, IATA, ANSI)
- Standards organizations provide a supporting community
- Effective collaboration between standards organizations is critical



Case Study – using International Standards to Redefine the Business

Conclusions:

- ***The information supply chain is as important as the physical distribution of goods***
- ***Establishing a globally integrated supply chain – comprising a network of hundreds of business partners – is impossible 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 publish your standards and grow your business network. Make it easy for people to ‘do the right thing’!***



THANK YOU
FOR
YOUR ATTENTION