SUPPLY CHAIN EXCELLENCE FOR THE CONSUMER GOODS INDUSTRY

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Our unique capabilities
Every day, across the world, our people work with a huge variety of consumer customers to solve very practical issues.

Supply chain challenges
Consumers expect a vast array of products to be constantly available in local stores and online – all at the right time, at the right price.

Our supply chain offering
DHL Supply Chain offers a wide range of flexible, end-to-end, specialized supply chain solutions for consumer goods manufacturers.
SUPPLY CHAIN

CHALLENGES

Consumers expect a vast array of products to be constantly available in local stores and online – all at the right time, at the right price. To achieve this, consumer goods companies need global supply chains that are highly efficient, agile, and sustainable.

Integrated supply chain management
Today’s consumers want fast order fulfillment through multiple channels. To make this possible, organizations need greater visibility and control across their supply chains.

By deploying integrated supply chain management solutions, consumer goods companies can bridge the gap between sales planning and operational processes, improving forecasting, streamlining inventory and speeding up delivery times.

Efficiency through collaboration
To remain profitable, consumer goods companies need to achieve higher levels of supply chain efficiency, and one way to achieve this is through horizontal collaboration between partners and competitors.

This is mainly happening in transportation, where there is great potential to reduce costs and carbon emissions. By closely coordinating logistics activities and sharing more vehicle and warehouse capacity, organizations can improve asset utilization at a supply chain level and achieve significant cost and carbon savings.

Reducing carbon emissions
In the past, supply chain decisions were based on purely financial considerations. However, achieving true supply chain efficiency now requires companies to monitor, track and reduce their carbon emissions.

As a result, consumer goods firms need partners who can provide systems and processes for monitoring their supply chain operations and carbon emissions from end to end.

Global ‘right shoring’
Consumer goods companies typically place manufacturing facilities in the lowest cost locations. However, this is not necessarily the most cost-efficient approach.

For example, locating production facilities closer to markets – known as ‘near shoring’ – can actually reduce operating costs by improving speed to market and reducing inventory levels. Winners will combine near shoring and off shore operations to achieve the lowest possible production, delivery and inventory costs.

Reducing costs through cross docking
To lower operating costs and increase competitive advantage, consumer goods companies need to minimize inventory stored at the warehouse.

This can be achieved through ‘cross docking’ – the practice of unloading materials from incoming trucks or containers and loading them directly into outbound vehicles. By reducing static inventory in warehouses, cross docking delivers real estate savings and reduces delivery times. Many consumer goods companies are now outsourcing their cross docking requirements to deliver additional efficiency gains.
CONSUMER SUB-SECTORS AND THEIR SUPPLY CHAIN DYNAMICS

Fast Moving Consumer Goods (FMCG)
FMCG manufacturers are optimizing their product portfolios to achieve competitive advantage. To ensure success, FMCG manufacturers are adopting collaborative logistics solutions that deliver products to stores faster and more cost-effectively.

Consumer durables
Consumer durables companies are exploiting rapid growth in direct-to-customer online sales channels. To service increasing demand, many organizations are building new production plants in low-cost regions.

Perishables
Perishable goods manufacturers are using smart logistics and refrigerated storage and transport equipment to lower operating costs and increase product shelf-lives.

Print
Print and publishing companies are looking to expand into emerging markets. They are achieving competitive advantage through on-demand publishing processes, automated workflows and digital print technologies.

Media/entertainment
Arts, entertainment and sports equipment manufacturers are looking to increase efficiency across their digital and physical supply chains. To achieve this, they are leveraging alternative forms of content distribution, including online broadcasting and mobile broadband.
Supply chain excellence for the consumer goods industry

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Supply chain excellence for the consumer goods industry

Our portfolio of services and solutions spans the entire supply chain, from consulting and planning and network design to manufacturing, packaging services and return logistics.

By understanding your issues and anticipating your business and logistics needs in an everchanging environment, our global, regional and local teams provide a reliable source of expertise. This is a key component of the value we bring to your supply chains.

The proven track record of DHL Supply Chain extends back over more than four decades, bringing the best supply chain solutions to more than 550 consumer companies worldwide, including the world’s top consumer companies. We deliver supply chain solutions across a range of industries, including food (frozen, chilled and ambient), beverages, print, media and entertainment, tobacco and household goods.

As representatives of the most trusted operator in the logistics industry, our people deliver on the promises we make, bringing unrivalled sustainable solutions to you.

From planning to sourcing, manufacturing to storage, distribution to returns, we offer solutions across your entire consumer supply chain to help streamline your business, allowing you to stay one step ahead.

OUR SUPPLY CHAIN OFFERING

DHL Supply Chain offers a wide range of flexible, end-to-end, specialized supply chain solutions for consumer goods manufacturers.
Supply chain excellence for the consumer goods industry

Supply chain solutions for consumer goods manufacturers

**PLAN**
Laying the foundation

**SOURCE**
Getting the materials you need

**MAKE**
Manufacturing the products

**DELIVER**
Getting it where it needs to be

**RETURN**
Receiving support when it's needed

Supply Chain Planning

Supply Chain Consulting (SCC)
By understanding and anticipating your business and logistics needs in an ever-changing environment, our teams are a reliable source of expertise. We provide you with advisory and/or consulting services for example an in-depth analysis of all network flows and supply chain processes across an organization in order to re-engineer and develop an optimized supply chain.

Lead Logistics Provider (LLP)
We build performance driven partnerships with our customers. As a single logistics partner, we take over responsibility and accountability for the design, management and optimization of end-to-end supply chains. We help our customers create competitive advantage and provide them with strategic, financial and commercial value by improving control, visibility and flexibility.

Inbound Logistics

Inbound to Manufacturing
We take responsibility for optimizing all inbound transportation. We collect the right components from multiple suppliers at the right time giving you the confidence that deliveries will be in synchrony with your production schedule. We provide full warehousing solutions together with local shuttle service and in-plant movement of materials. We ensure a leaner environment through tighter control, visibility and improved resource efficiency.

Procurement Services
We provide sourcing and procurement services, leveraging economies of scale to drive down costs and improve margins. From the initial consulting and demand planning, to negotiation, buying, tracking receiving and incoming inspection.

Manufacturing Logistics

Primary Packaging
We design and operate packaging lines that reduce lead times and costs and increase the quality of finished products. Based on our experience of packaging goods for the world's leading consumer brands, we can help you to meet the highest quality standards, reduce risk and lower capital expenditure.

In Plant Services
We help you to manage your site more effectively, from labor management and yard management, to railcar switching and site cleaning. With experience of implementing safe, consistent in-plant processes, we can help eliminate recordable incidents, reduce costs and increase productivity.

Distribution Logistics

Secondary Packaging
As a reliable and high-quality packaging partner, we create competitive advantage for our customers with tailored, low-risk, end-to-end solutions, enabled by our global network of expertise. By establishing consistency and leveraging best practice globally we provide solutions that bring design to life and create value in labor.

Our packaging services increase efficiency by integrating outsourced packing operations into our distribution centers.

Promotional Logistics
We work with your marketing and/or sales teams to source, store, and distribute promotional items from corporate materials/print to clothing and give-aways. We help you with the setup and return of trade show kiosks and materials which allows you to maximize the impact of your brand.

Aftermarket Logistics

Reverse Logistics
By managing returns effectively, we help to recapture value and reduce write-offs. We design, plan and implement reverse supply chains that leverage the latest technologies to maximize the value of returned assets and increase profitability.

Envirosolutions
We design and manage waste recycling solutions, integrated with existing logistics flows, which consistently reduce cost and environmental impact. Efficient data and supplier management ensure that you are able to meet the requirements of local WEEE legislation and fulfill compliance obligations in a cost effective and environmentally efficient manner.

Our core services: Warehousing | Transportation | Value Added Services | Management Services
OUR SUPPLY CHAIN SOLUTION

Continuously improving, our wide-ranging solutions help organizations to address their most complex, pressing operational needs from transportation to management services.

WAREHOUSING SERVICES
Creating and operating customized warehouse solutions that deliver bottom-line benefits is at the heart of all our solutions. For example, sharing warehousing, equipment, labor and transportation in a collaborative effort with other consumer organizations, confers valuable business benefits. Deal effectively with demand peaks and troughs with our shared-use campuses and distribution networks. When scale or complexity demands a dedicated solution, look no further than DHL for bespoke design, innovative planning and state-of-the-art operation and management.

We take responsibility for product storage and delivery to maximize on-shelf availability. We leverage shared and dedicated warehouses and optimize delivery to retailers’ distribution centers, retail outlets and end customers.

TRANSPORTATION SERVICES
Product transportation can easily consume more than half of your total logistics costs. Don’t let shipping and freight expenses compromise your profits. By increasing visibility and raising inventory accuracy, our transportation solutions put you in control. Using the most efficient mix of carriers and fleet resources, our management and administration optimize all movements, safeguarding service levels whilst minimizing costs.

With our transportation solutions, you can leverage multiple modes to get products to customers more efficiently. We create the most appropriate transportation solution for your needs using external carriers, a DHL multi-user fleet, a dedicated fleet, or a mix of all three.

VALUE ADDED SERVICES
From sub-assembly, packing, customization, postponement, kitting, sequencing to pre-retail activities across all industry sectors, we help you reduce costs, lower inventories, and better match supply with demand. Co-locating these services alongside the storage of your products not only saves money but removes steps in the supply chain. We have considerable expertise in preparing your products for distribution to a retail environment. This service is ideal for our consumer customers wishing to ensure a rapid response to changing market conditions.

MANAGEMENT SERVICES
Labor management – labor represents 50% to 60% of typical distribution costs. DHL Supply Chain’s labor solutions help you manage these costs and improve the capabilities of your human capital. Our approach combines labor-management technology, engineered productivity standards, comprehensive operating practices and performance recognition while our scale allows us to bring qualified resources to the task just when you need them most.

IT management – whether you require a new solution from scratch or integration into your existing system, we design and implement our solutions to match your needs and bring consistent, high-quality, cost-effective IT services to your supply chain. Through experience working with every system in the business (Oracle, Red Prairie, SAP,
Manhattan, etc.), we understand how to optimize IT solutions and consistently review and deploy new capabilities as they come on to the market. Continuously evolving and improving, our wideranging solutions help organizations to address their most complex, pressing operational needs from transportation to management services.

Business continuity management – if your supply chain is disrupted by a natural disaster or other destructive event it could have devastating consequences. We can help you create a robust business continuity management (BCM) strategy. By identifying the risks inherent in your supply chain and putting strong measures in place to mitigate them, you can be sure that there is a backup plan for whatever may arise.

Real estate management – a well executed real estate strategy can make significant contributions toward achieving your budgets. Real estate plays a vital role in supply chain strategies, as nearly every warehousing or distribution center decision features a real estate component. DHL Supply Chain bundles real estate and logistics services to offer a single-sourced comprehensive solution that reduces end-to-end supply chain costs, minimizes risks and improves efficiency.

**'ONE-STOP' PACKAGING**

Sales for one of the world’s leading confectionery and food brands has increased 30% year on year in China. To remain competitive, the company needed to optimize its production, packing and logistics operations across five major facilities. DHL was chosen to provide a ‘one-stop’ packing solution which covers everything from project management and packaging procurement, to co-packing, and final dispatch.

"By enlisting DHL Supply Chain, we have been able to make substantial cost savings throughout the supply chain – from reducing the amount of materials required for secondary packaging to streamlining our labor costs. This has enabled us to deliver products to market faster.”
Supply chain excellence for the consumer goods industry

Every day, across the world, our people work with a huge variety of consumer customers to solve very practical issues. Whether integrating systems seamlessly in an end-to-end supply chain or driving down the cost of distribution, we constantly seek better ways of making it happen.

**Industry expertise**
Because we focus on selected major industry sectors, including the consumer industry, our customers can benefit from working with specialists, not only in supply chain services but also in their particular marketplace. As well as being logistics experts, all of our managers must be experts in the business of every one of our customers.

**Simplification**
Focusing on what you do best and outsourcing non-core functions reduces capital costs and simplifies your operation, optimizing results by reducing complexity. Dashboard visibility and control enables you to make proactive and informed decisions. Supply chains are often complex and always time-critical. We understand you may need answers quickly. We always ensure you have a single point of contact who understands your program and the expert team supporting it.

**Commitment to excellence**
For DHL, quality assurance and process improvement are about more than merely exceeding standards, regulations and directives. They’re about seizing every possible opportunity to raise the bar. Through a structured and systematic approach, we continuously improve standards and customer satisfaction. First Choice is our service optimization scheme to help us to fully understand customers’ needs and adapt our processes to make their lives easier. Using Six Sigma and Lean methodologies, the DMAIC cycle (Define, Measure, Analyze, Improve and Control) is at the heart of our project management methods. Our relentless pursuit of excellence gives DHL customers a real and sustained competitive advantage.

**Innovative solutions**
To get you moving quickly, our dedicated innovation team works closely to accelerate new solutions. DHL is already responding to the transportation and environmental problems looming on the horizon. With City Logistics for example, we develop solutions which are fit for the future. More efficient transport systems can help reduce the amount of traffic in city centers and thereby also reduce CO₂ emissions. The DHL Innovation Award recognizes outstanding, forward-looking solutions every year.

**Health and safety**
We help you to meet high standards on health, safety and security through extensive training and timely monitoring. We offer consulting and advice on global safety regulations accomplished by in-depth audit processes and regular inspections of our site. Achieve a lower frequency of workplace injuries, lose less time, reduce equipment failures and prevent business disruptions.

**LEADING TOBACCO BRAND SAVES 10% ON LOGISTICS GLOBALLY**

A leading tobacco brand has grown rapidly – both organically and through acquisition. This led to inefficient logistics networks and duplication of facilities and resources globally.

To increase efficiency and control, DHL Supply Chain is helping the company replace disparate networks and facilities with a global, fully integrated supply chain. We have helped the company to consolidate warehouses and logistics operations across international borders and achieve 18% savings on logistics in Western Europe and 10% globally.

“DHL Supply Chain enables us to drive network optimization and provide optimal balance between standardization and localization.”
Global footprint
You can access growth opportunities in emerging economies through our unmatched global capability across Supply Chain, Express, Freight and Global Forwarding. With local expertise in over 220 countries and territories, combined with our financial strength, we have the flexibility to scale up or down to meet requirements or overcome disruptions.

Green logistics
Enhance your brand reputation and bottom line while decreasing your impact on the environment. DHL was the first logistics company to set carbon efficiency targets and our GoGreen innovations enable customers to offset handling and transport costs against climate protection projects. We also provide product refurbishment and recycling solutions.
We have outlined the challenges facing the consumer goods industry and detailed our portfolio of supply chain solutions and services. What makes DHL Supply Chain the perfect fit to address your challenges?

Drawing on our global expertise and resources, we can help you integrate supply chain management, reduce costs, lower carbon emissions, and achieve the perfect balance of on and off-shoring.

**Increasing supply chain integration**
We can help you seamlessly integrate sourcing, manufacturing and packing operations, improving inventory management and control across your supply chain. By joining up logistics activities, you can fulfill multi-channel orders much more quickly and accurately, minimize returns and enhance customer service.

**Minimizing supply chain costs**
Our significant shipping, distribution and just-in-time delivery capability, together with shared transportation and warehousing services mean we can deliver significant cost savings and economies of scale. In addition, we offer value-added solutions such as cross docking that help you streamline inventory, lower storage costs, and speed delivery of customer orders – and we constantly strive to minimize your mileage and fuel costs.

**Lowering carbon emissions**
To help you reduce your carbon footprint and comply with shifting regulations, we are optimizing the carbon efficiency of our networks, fleets and buildings which will contribute to a 30% carbon reduction by 2020. We can also help you reduce emissions through a range of innovative, green solutions.

**Right-shoring and extending global reach**
In the global economy, there is a delicate balance to be struck between off-shore and near-shore operations. With facilities and teams of supply chain experts in all major markets globally, we can help you achieve the perfect operational mix.

DHL Supply Chain is the trusted logistics partner for the consumer goods industry. Leveraging our global expertise and resources, our customers are increasing supply chain efficiency, extending reach to dynamic new markets globally, improving business agility and minimizing carbon emissions.