

CASE STUDY

CUSTOMIZED PACKAGING DELIVERS COST REDUCTION



The customer is a multinational manufacturer of products ranging from personal care, household cleaning, laundry detergents, and prescription drugs to disposable nappies. It owns numerous leading brands and employs 129,000 people globally with sales of more than \$80 billion.

Fortune magazine ranked the customer as fifth on the “World’s Most Admired Companies” list. DHL is the company’s largest global logistics provider operating more than 50 facilities for the customer globally. Services include warehousing services, customization, cross-docking activity, 4PL services and international air, ocean, rail and road transportation. DHL is a key service partner for this company in Europe, the Middle East and Africa (EMEA).

CUSTOMER CHALLENGE

With such a diverse range of consumer brands, our customer is constantly running a significant number of consumer-focused promotions designed to drive increased sales across its markets.

The company needed to ensure that it had a packaging services partner capable of meeting its ever-evolving and fast-changing needs. DHL was already providing packaging support to the customer in Scandinavia and Spain so the multinational asked our solution experts to look at ways of improving packaging operations in Germany, Austria and Switzerland, as well as at its Turkish and South African operations.

Following an extensive review, DHL identified that the current packaging operations needed redesigning and standardizing in order to deliver the greatest possible efficiency.

CUSTOMER CHALLENGE:

- Reduce the number of packaging services suppliers across Europe
- Improve performance of packaging operations to improve financial results
- Deliver continual process improvements to maintain cutting edge supply chain and production practices

DHL SUPPLY CHAIN SOLUTION:

- Detailed review of existing packaging arrangements
- Redesign of packaging facilities to increase productivity
- Standardized operating systems, across all territories
- Management information system providing ‘real time’ data

CUSTOMER BENEFITS:

- Improved efficiency and reduced costs
- Optimized packaging choices
- Improved planning and decision making



CONSUMER

DHL SUPPLY CHAIN SOLUTION

Our packaging solution provides a material-neutral partnership across international markets and ensures that solutions are cost-effective throughout the supply chain. This is supported by our best-in-class operational expertise and consistent approach across different markets, which helps to support marketing and sales activities.

The DHL team set about redesigning the layouts and product flows of the packaging facilities either on-site or near operations. By transforming the existing operations, standardizing operating systems across all territories and introducing a new information system, our team ensured that all packaging lines could achieve optimum flows.

In the improved facilities, we receive 'mother' products from the customer and re-pack product into the correct packaging format before returning them to the plant or distribution center for delivery. This approach is being implemented across Germany, South Africa, Switzerland and Turkey. It ensures consistency, quality and brand protection for the customer. In addition we can access real-time management information to monitor the performance of the packaging operations. By transferring skills from other sectors, and by implementing standardized operations including the use of LEAN techniques, 5S methodology, 7 wastes, sequencing and six sigma, DHL provides World Class packaging operations.

CUSTOMER BENEFIT

DHL's packing services improve efficiency, reduce costs, and optimize packaging choices. The PackManager information system provides the customer with real-time visibility through traceability and an improved cost management. It also allows the customer to constantly control quality and improve planning and decision making.

The DHL model has already delivered significant benefits for our customer in North America. For example a customer site in Canada has already reduced fulfilment costs by 37%.

QUOTE

"By implementing DHL's standardized packaging solution across multi-regions, we have been able to make substantial cost savings. We've already witnessed an approximate 40% reduction in fulfilment costs in Canada, and hope to replicate across the rest of North America."

For further information

Contact our supply chain experts:

supplychain@dhl.com

www.dhl.com/supplychain