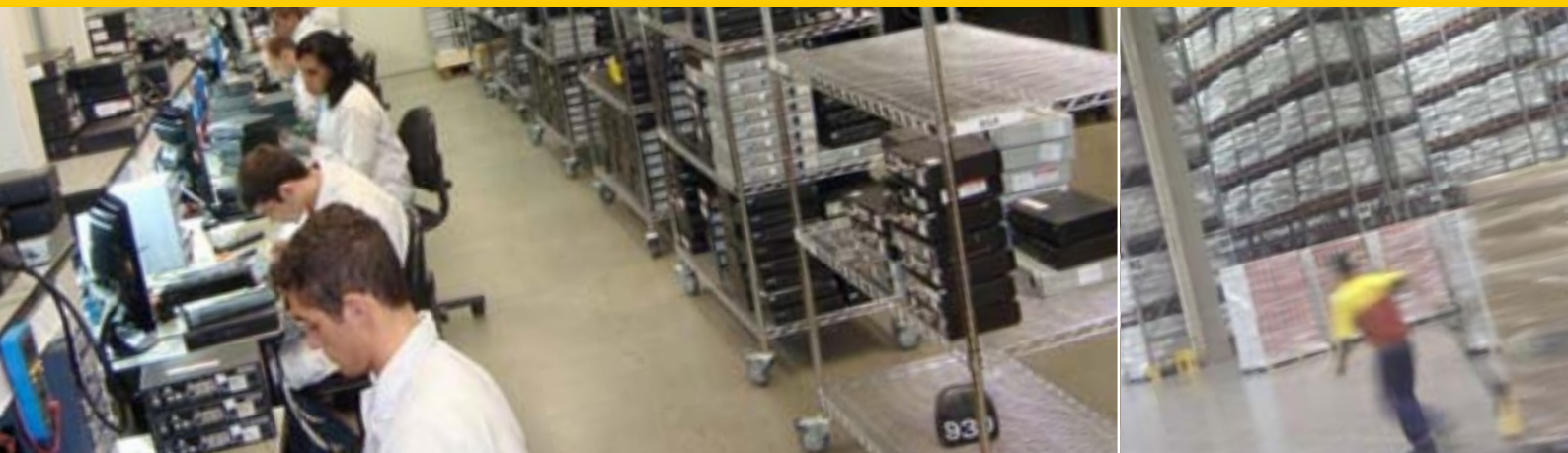


INNOVATIVE INTEGRATED REPAIR AND LOGISTICS SERVICE **CUTS COSTS** AND ENABLES GROWTH



When a leading provider of satellite based television services in Latin America, identified the need to improve its repair and service operation in order to take advantage of the huge growth in HD (High Definition) across the country, DHL Supply Chain was the natural choice. The organisation has partnered with DHL for nearly a decade, starting with a 1500 square meter warehousing, inventory management and transportation service, growing to today's modern 22,000 square meter facility. The resulting solution has significantly reduced unit repair costs, cut turnaround times and enabled the business to maintain rapid growth.

CUSTOMER CHALLENGE

The business wanted to significantly reduce unit repair costs (taking into account labor, transportation and supplies) and achieve an initial run rate of 5,000 equipment repairs per month. In addition, the business was keen to further leverage the benefits of consolidating their logistics and supply chain functions into a single provider, which would enable them to streamline and simplify the repair service as well as minimize the risks associated with the transportation of parts and equipment.

DHL SUPPLY CHAIN SOLUTION

Working closely with the company's engineering team, DHL Supply Chain built an innovative repair and service area, including hiring and training up to 17 specialist electronics technicians. DHL then combined observations from the organisation's repair facility in another Latin American country with global expertise gained from similar technology sector supply chain projects in order to accelerate the adoption of best practice processes. This included the introduction of a unique

Customer Challenge

- Simplify operation to take advantage of the rapid growth in HD television
- Reduce inventory and repair costs for decoders
- Improve productivity and turnaround times

DHL Supply Chain Solution

- Built innovative new repair area
- Hired and trained 17 specialist electronics technicians
- Accelerated adoption of benchmarking and best practice
- End-to-end ownership of the repair process

Customer Benefits

- Significant reduction in overall unit repairs costs
- Productivity up 40%
- Simplified operations using single logistics provider enabling the business to maintain rapid growth



benchmarking system to accurately track productivity, which in turn has allowed the operation to quickly adapt and improve as the mix of equipment has switched from SD (Standard Definition) decoders to the more complex HD devices. DHL Supply Chain now undertake repair of HD decoders up to Level 2 including power supply fixes, AV cards, memory, connectors & processor exchange, hard disk drive change, HDMI communicator fix and microcontrollers exchange.

CUSTOMER BENEFITS

DHL Supply Chain's innovative approach to simplifying the repair function and integrating it into the overall logistics service has led to a significant reduction in overall unit repair costs. By striving for excellence through process improvement and best practice, DHL Supply Chain increased productivity from an initial target of 5,000 equipment repairs per month, to 7,000 per month in less than 2 years – a 40% improvement. More importantly these gains have translated into higher levels of customer service. The company is also reaping the benefits of having a single provider for their logistics and supply chain which now spans warehousing, inventory management, customer service, recycling, repair, transportation, reverse logistics, receiving and shipping. This integrated approach has reduced the number of touch points which in turn has given the business greater visibility and control allowing it to reduce inventory costs, improve customer service and minimize the risk of damage and loss of parts during transit.

The partnership is not stopping there. In the pursuit of excellence, DHL Supply Chain have brought in experts in reverse logistics and repair to provide an independent assessment and recommendations on how they can improve the repair service still further. In addition, DHL Supply Chain are already working closely with this leading satellite TV business to plan ahead for the anticipated surge in demand for HD television services in the run up to the 2014 World Cup and the 2016 Olympics – both of which will be hosted in Brazil.

“Our long standing partnership is really paying dividends. Our relentless pursuit for excellence means we have been able to deliver an innovative and fully integrated repair and service operation on one site that is already exceeding the customer's ambitious cost reduction and productivity targets. Having a single logistics provider is also helping to greatly simplify the customer's operations enabling them to maintain their focus on taking advantage of the huge growth in demand for HD services”

Laury Johnson, Senior Director of Operations, DHL

For further information

Contact our Technology Supply Chain Experts:
supplychain@dhl.com