A COLLABORATIVE PLATFORM THAT DELIVERS A SUSTAINABLE COMPETITIVE ADVANTAGE

The Automotive aftermarket has become an increasingly competitive and challenging industry for Original Equipment Manufacturers (OEMs). Historically OEMs relied upon the aftermarket to deliver a high profit margin however in recent years they have been faced with new challenges. With servicing levels falling, car sales in decline and rising distribution costs OEMs are seeking new and innovative ways to maintain healthy profit margins on aftermarket sales. Already working with three OEMs in the UK, DHL’s Auto Alliance network is a UK wide collaborative transport platform that drives sustainability, utilizes vehicle space and reduces costs.

CUSTOMER CHALLENGE
OEMs have historically delivered service and maintenance parts from a central warehouse through the night to dealerships covering the length and breadth of the UK using a dedicated fleet. With rising fuel costs and falling demand DHL was challenged with developing a sustainable solution that minimizes financial and environmental costs.

The challenge the OEMs face are (a) maintaining high service levels ensuring the right part is at the right place, at the right time in order to increase customer satisfaction and therefore the likelihood of a return purchase. (b) Being able to distribute parts to any of their dealerships in the UK with short lead times and visibility of inventory.

Customer Challenge
- Reduce operating costs of dealer network
- Stimulate sales growth of aftermarket parts
- Increase customer satisfaction and improve service levels to ensure the customer receives the right part, at the right time

DHL Supply Chain Solution
- A “through the night” service to meet short lead times
- Daily deliveries to the dealership network with full returns capability
- Strategically placed Cross Docking facilities UK wide
- Existing Aftermarket network

Customer Benefits
- Reduction in distribution costs
- Increased flexibility to fluctuations in volume
- Reduction in carbon footprint through the collaboration
- Improved Service Levels; delivery on time, in full of 99.52%

Deutsche Post DHL – The Mail & Logistics Group
DHL SUPPLY CHAIN SOLUTION
The Auto Alliance platform is DHL's solution to the distribution challenges that OEMs face. The ‘Through the Night’ transport network sees the logistics provider carry parts for three different OEMs to dealerships across mainland UK, Northern Ireland and outlying islands.

With OEM dealerships often located in very similar locations it was the ideal solution to a common problem. The ‘Through the Night’ network consists of strategically located cross-docking facilities across the UK, each of which is operated by experienced management and drivers who have a wealth of experience in handling OEM parts.

Orders are fulfilled at each of the OEM’s distribution centers before being trunked to a specific cross dock. On arrival they are unloaded and consolidated with the other OEM parts and loaded onto a radial fleet who make the final deliveries on set routes storing parts in secure lock ups and collecting empty storage media on deliveries.

A cutting-edge IT system underpins the solution with track and trace technology deployed, this provides the OEMs with full visibility and traceability of parts throughout the delivery. It also allows parts to be registered on the system by the dealership and returned to distribution center.

CUSTOMER BENEFITS
DHL Supply Chain partners with 3 major OEM’s in the UK who currently take advantage of the Auto Alliance network. Since the start of the platform in 2010 DHL has performed to consistently high standards in terms of accuracy and delivery.

- 99.08% scanning compliance
- 99.52% for delivery on time and in full
- Deliver to over 500 delivery points per day
- High quality control and low damaged stock levels of 0.05%

Through best practice, with standard operating procedures and quality control DHL ensure all parts are distributed with the utmost care and in accordance with our safe systems of work (SSOW).

By utilizing the existing network and infrastructure DHL can offer a cost effective solution that best suits a customer’s needs; offering flexibility and visibility. The network operates a wide range of vehicles that can deliver in to all sites whilst the sophisticated IT system provides peace of mind as to when the parts will be delivered.

DHL’s Auto Alliance network offers OEMs excellent service levels like that of a dedicated fleet whilst at the reduced cost of a collaborative solution.

“The Auto Alliance network is a direct response to the challenges facing the dealer networks of reduced volumes and increased competition through identifying synergies, reducing costs and sharing best practices.”

Steve Rushton
Head of Components

For further information
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