THINK FAST

Technology is all around us and influences everything we do – in our work and in our spare time. We depend on it in so many aspects of our daily lives – whether that’s on the web, email, mobile communication and entertainment devices, or even our car’s electronics to get us safely to our destinations, not to mention healthcare, and much more.

Technology touches so many industries, and is itself an industry that moves at a blistering pace. Success – and even survival – for technology businesses depends on speed and cost, because products age as quickly as consumer tastes change. Tablets, laptops, mobile devices, and components like semiconductors, are produced, copied, and then overtaken. In response, many technology firms are redefining their core activities and strategies, moving into new areas, merging, acquiring or hiving off businesses, while always striving to come up with the next “killer app.” Just look at Google’s announcement of the purchase of Motorola’s handset business, or HP’s rethinking of its core business to possibly focus on services.

As competitive pressures escalate and, in their quest to stay ahead of rivals, technology companies are increasingly rethinking their supply chains as a crucial part of their strategies going forward. This calls for a partner not only with the requisite supply chain expertise, logistics capabilities and global reach, but also who understands the technology industry.

That’s where DHL comes in. We strive to innovate, be proactive and come up with even better supply chain solutions. We want to be foremost in customer thinking when it comes to the technology supply chain.

We’re helping technology customers streamline their supply chains, squeeze out costs, improve CO₂ efficiency, and go to market faster – whether it’s bringing semiconductors from China and Taiwan to Europe in a more efficient way, consolidating shipments of flat screen TVs from Poland to Western Europe, or managing complete inbound to manufacturing supply chains. We’re also sharing these best practices with other customers to show how they can achieve further savings. And, as customer needs change, we’re listening carefully, so we can come up with proactive solutions. For example, we’re helping our technology customers collaborate for even greater efficiencies.
FINE-TUNED PROPOSITIONS
A diverse industry like technology has diverse supply chains needs, moreover, which is reflected in the DHL industry sector approach. This is an industry made up of a broad range of subsectors – from mobile devices to network infrastructure, with semiconductors, consumer electronics and PCs in between – and the supply chain requirements of each is distinct. Over the last couple of years, we’ve been working with customers to understand and address these specific requirements better, and now we have fine-tuned propositions tailored to each subsector.

DHL has a strong footprint in the technology sector, built on long-term customer relationships, global presence in mature and emerging markets, and a broad range of solutions and services delivered by all business units in the Deutsche Post DHL group. Add to this our experienced technology community with proven supply chain expertise, and we think we have a pretty good shot at realizing our goal to be the logistics provider for the technology industry.

You can read more about the latest trends in technology and our value proposition for the industry in these pages, which we do hope you’ll find informative.

All the best,

Ken Allen
CEO DHL Express
Board Member, DPDHL

Bill Meahl
Chief Commercial Officer DHL

Scott Allison
Senior Vice President – Global Sector Head DHL Technology Sector

“We strive to innovate, be proactive and come up with even better supply chain solutions.”
After a contraction in 2008–2009, the technology industry bounced back to 13% growth in 2010, and growth is expected to continue at an average rate of 5% to 6% through 2014, though short-term volatility will remain.

This is a fast-paced industry characterized by constant innovation and short product cycles – in some cases, not unlike the fashion business. It is made up of large corporations, niche players and up-and-coming heroes. Competitive markets are the norm, with ever-falling product prices requiring effective cost management. With change the only constant, technologies are converging, sales and distribution channels shifting, and new markets opening up all the time. Several disruptive new technologies will further fuel the pace of and need for change.

CLOUD COMPUTING
One of the emerging trends – which will have a big impact on many parts of the industry and its partners going forward – is the move towards cloud computing, where data and software are stored centrally on powerful servers offsite. Cloud computing has become one of the hottest topics in IT, and it promises to have a significant impact on the business models and supply chains of a lot of industries. In a nutshell, it refers to information and software being delivered through a network so that it is available anytime, anywhere from any device that can access the internet. In other words, it is internet-based computing whereby computing tasks shift from individual PCs and servers to internet-connected data centers.

The global revenue for servers deployed in public and private clouds is expected to approach US$9.4 billion by 2015. This revenue will mainly be driven by IT managers’ growing view of cloud computing as the best way to simplify managing and administrating technology environments. If a company relies on a cloud computing solution rather than maintaining servers at every branch or location, that has potentially huge implications for the supply chain, including service parts logistics, for instance.

3D PRINTING
The innovative concept of 3D printing is another step in the trend towards dematerialization, as this desktop manufacturing technology starts to become a practical application. Even complex objects that once needed to be transported from far-away sites can now be built on-site thanks to 3D printers. The technology has advanced so quickly that a device priced at around US$25,000 five years ago is now available for only US$1000 – making it an attractive entry level device for much broader usage.

MOBILE INTERNET ACCESS
A further shift in the market is towards mobile internet access, which is set to become the most common form of web use by 2014, when some 1.4 billion people globally are expected to go online from their handsets or tablets. Along the way, China’s smartphone market will reach 54 million in 2011 – up 53% over 2010.

TECHNOLOGY SUPPLY CHAINS
It goes without saying that these and other trends are having a profound impact on technology supply chains. These are complex and far-reaching, connecting regionally focused manufacturing to global markets. Each of the diverse subsectors that make up the technology industry, moreover, requires a targeted approach and tailored solution, which transport and logistics partners must factor into their approach to the sector.
TAILOR-MADE APPROACH

Technology is one of three key focus industries – along with life sciences & healthcare and energy – at the heart of DHL’s cross-divisional sector management strategy.

OPTIMIZED PROPOSITION
Through this industry approach, expert teams of dedicated professionals from across the company work with technology customers to optimize the value proposition for their distinctive requirements, harnessing the broad know-how and geographic scope of all Deutsche Post DHL divisions to provide simplified and sustainable solutions for this core sector.

EIGHT SUBSECTORS
Accordingly, DHL breaks the industry down into eight subsectors with targeted propositions for each. DHL cross-divisional industry teams follow the trends in their particular subsector closely and discuss their findings with customers to determine their precise needs and ultimately create a strategy and tailored solutions that help these customers stay on top of their game.

TARGETED APPROACH
Since technology is such a broad and diverse sector, DHL recognizes that each of its varied segments requires a specific sub-sector approach to address its particular supply chain requirements. The supply chain for a semiconductor manufacturer is very different from that of a PC manufacturer or mobile device maker, for instance.
TECHNOLOGY SUBSECTORS AND THEIR SUPPLY CHAIN DYNAMICS

Single user computing systems
Rapid innovation, merging technologies, high level of outsourcing and various sales channels. Increasing shift to lower cost ocean freight distribution.

Servers and storage systems
Large scale shipments with specific handling and merge-in-transit requirements; sales channels are primarily B2B or value added resellers; strong focus on aftermarket and services.

Producers of handsets, accessories and providers of mobile network services
Rapid product innovation cycles, fashion-like product launches, high level of outsourcing, various sales channels, and increasing demand in emerging markets. Sophisticated distribution and aftermarket supply chain requirements.

Makers of printers, scanners and related document production equipment
Diverse range of products with multi channeled distribution. Special handling requirements, such as technical distribution for high-end products required. Green legislation driving return management requirements.

Makers of semiconductor chips and processors
The multiple-step manufacturing process makes semiconductor supply chains one of the most complex – from material sourcing, through wafer fabrication, to assembly and then test, before final distribution to end customers. High value goods with need for VAT optimization solutions. Complex capital equipment logistics requirements.

Entertainment and audiovisual devices
Highly price competitive market with razor thin margins, short product cycles and fast followers. Cost-driven distribution mainly via ocean/road freight and regional distribution center structure to retailers and online sales channels.

Makers of telecommunications infrastructure
Project-driven business with specific supply challenges (e.g., roll out in emerging markets). Increasing demand for data capacity drives network upgrades.

Design and manufacturing of electronic components and equipment
Companies are very flexible in providing services beyond manufacturing (e.g., aftermarket, logistics, sales channels). Trend toward partnerships with logistics providers to enable broader footprint.

* Electronic manufacturing services & original design manufacturer
The technology industry relies on rather complex supply chains. It all starts with the sourcing of electronic components, which are provided by various specialized suppliers. All of the essential components for manufacturing a laptop – circuit boards, memory RAM, hard disk and optical drives, graphic and sound cards, display, keyboard, cooling fan, battery, power adaptors, etc. – have to be supplied and replenished on time.

Manufacturing is mainly outsourced to specialized EMS/ODM (electronic manufacturing services/original design manufacturer) companies, such as Flextronics, Foxconn, Quanta, Compal, Asustek and Wistron. Production is mainly in the Asia Pacific region, however, some shifts to more regional manufacturing closer to end consumer markets are being considered.

The finished goods are then distributed to the respective markets – mainly to Europe and North America, but more and more to emerging markets, too, like the BRIC countries and many others in Asia, Latin America, the Middle East and Africa, where demand is soaring. Transportation options include any and all modes – sea, air, rail and road – and sometimes a mix of modes, like combined sea-air products, where goods are first shipped by ocean freight to the Middle East and are then flown to the final regional destinations. These intermodal transport solutions allow for a better balance of speed and cost, while improving CO₂ efficiency, at the same time.

Most products are distributed to a regional or country distribution center, where they are stored and prepared for final distribution to customers, partly supplemented with localized accessories, such as power plugs and manuals (known as postpone). An alternative option is to directly ship the goods to customers without any interim storage and limited value added services. This allows for a faster time to market, avoiding additional handling steps and inventory costs. At the same time, it sets higher requirements on forecasting and planning efforts at origin, since shipments have to already be assigned to customers.

Distributors are a common channel, especially into emerging markets, where supply chains do not have critical mass and require specific local expertise. In mature markets, such as Europe, this channel allows the technology firm to sell much lower quantities than is cost efficient by themselves.

The customers of technology companies are either private or business end users, or a retail/wholesaler channel. Retailers usually run their own supply chains, including warehouses, with some strict inbound processes for orders and fixed booking slots. Online retailers, which are gaining an increasing share as a distinct sales channel, might still leverage the original equipment manufacturer’s (OEM’s) supply chain without any own-infrastructure. For the last mile, business-to-business (B2B) and business-to-consumer (B2C) delivery options are needed, depending on the end user.

DELL uses direct channel concepts to serve the end users directly. About 20% of its global revenue comes from its consumer unit, which comprises all business with private persons, for which B2C supply chains are critical.

In the event of defects, the aftermarket supply chain comes into play. Depending on the value of goods, the agreed service levels – often driven by warranty contracts – and the required level of repair, different options are available. These include direct swaps – exchanging the defective product with a new one at the doorstep – and collect & return scenarios. Certified repair suppliers screen for the defect and conduct actual repairs.

Spare Part Logistics is a further solution to ensure the timely availability of spare parts where needed. This might be with the repair supplier or at the consumer or technical engineer site. ■
THE LAPTOP EXAMPLE

ASIA PACIFIC

INBOUND TO MANUFACTURING

MANUFACTURING

DISTRIBUTION

REGIONAL MARKETS/COUNTRIES

CONSUMER

AFTERMARKET

COMPONENT SUPPLIER

CONTRACT OR ORIGINAL DESIGN MANUFACTURER

ORIGINAL EQUIPMENT MANUFACTURER (OEM)

DISTRIBUTOR

RETAILER

PRIVATE

BUSINESS

OEM

REPAIR SUPPLIER

Semicon/Processor

Hard Drives

Displays

Electronic Components

Accessories

Inbound Hub

EMS/ODM Manufacturing

 Finished Goods

Localized Accessories

Direct Distribution (X-dock operation)

Electronic Distributors

Retail

OEM Regional/Country Distribution Center

Online Retail

Collect & Return, Screening

Potentially via Retailers, Consolidation Points or direct

Repair Scrapping

Spare Parts Center
MAXIMUM VALUE PROPOSITION

To get the most out of its offering for the technology industry, DHL is mobilizing three key value propositions for the sector, namely: Revenue & Growth, Cost Efficiency & Flexibility, and Simplification & Control.
The success of a technology company is closely linked to its ability to design and manufacture its products in time with the changing dynamics of customer demand and expectations. The rapid pace in innovative technologies, short product lifecycles and price erosion make it necessary to maximize the value of a new product as early as possible after its launch.

Much of the growth in technology is driven by new innovations superseding current standards, along with expansion into new markets and business segments. With burgeoning middle classes eager to spend on technology products, emerging markets continue to hold the highest growth potential for technology. Aftermarket services attached to finished goods are another attractive new business segment for expanding the total revenue opportunity of a product.

LOGISTICS IMPLICATIONS AND SOLUTIONS
Speed, reliability and reach are critical factors in the technology supply chain to capture revenue opportunities and growth potential. DHL has a global presence in over 220 countries and territories with proven service reliability. In particular, DHL has an unparalleled network of regional platforms with access to emerging markets. Many technology customers, for instance, are using DHL’s Dubai Center of Excellence as a gateway for Middle East and Africa distribution.

The sector’s supply chain partners are expected to ensure reliable execution under all circumstances. Product launch expertise, where alignment of supply chain and marketing campaigns is crucial to serving customers at the specific time of launch, is a further key challenge. In addition, the capability to support service-related supply chains with repair and return options, for instance, plays an integral part in providing end-to-end supply chain solutions.

REVENUE & GROWTH

DHL’s Revenue & Growth Proposition
- Global presence in over 220 countries and territories
- High reliability in service delivery
- Regional platforms with access to emerging markets
- Product launch solutions
- Logistic solutions support for technology product related services
Recognizing that the importance of supply chain costs increases with the lifecycle of a product, especially when its value is based on a competitive advantage in the market, is where Cost Efficiency & Flexibility comes in. While revenue maximization is key in the early stage, a highly cost-efficient and flexible supply chain is needed to safeguard margins when product prices are falling.

Demand for technology products is largely driven by general economic development and consumer spending, which is often seasonal (Christmas, back-to-school); linked to other related products (like software launches); or, increasingly, influenced by social media – all making sales less predictable. New sales channels are also emerging, such as online retail, requiring different distribution solutions. In addition, long supply chains from manufacturing to consumer markets are highly exposed to the disruptive impact of natural disasters or geopolitical unrest, as well as to medium-term fluctuations in costs of resources, like labor and fuel. Under these challenging circumstances, supply chain flexibility is imperative.

Logistics Implications and Solutions
The dynamics of the technology sector demand continuous cost optimization in the end-to-end supply chain set-up and flexibility in sourcing and manufacturing capacities, distribution modes and channels, as well as services. These latter include postponement, late configuration, as well as reverse logistics and recall solutions.

DHL offers a full range of transport and logistics services, along with supply chain optimization expertise, to help firms achieve their maximum potential. Key developments for the technology sector are in the following areas:

**Direct Distribution:**
Traditional supply chains from manufacturing to end consumer markets often include regional and local warehousing in the destination markets. The direct distribution concept eliminates this step in order to reduce inventory costs and to allow faster time to market. For example, on the first leg from Asia Pacific into Europe, shipments are consolidated and clear customs as a consolidated shipment. After that, the consolidated shipment is broken up into smaller units without any interim storage and delivered directly to the end customers.

**Integrated Repair & Return:**
The aftermarket supply chain is often fragmented in repair and return services with a high number of specialized providers. DHL has invested in new capabilities and services to offer an integrated repair and return service to its customers. With the integration into the existing DHL networks, faster cycle times and reduced transportation costs can be achieved. A further milestone will be the new DHL end-of-runway facility at its hub in Leipzig, which will combine the excellent connectivity to the Express network with integrated warehouse and repair activities, providing a unique value proposition in the aftermarket business.

Other key solutions along the supply chain include inbound-to-manufacturing (I2M) management solutions, multi-modal transportation, multi-country consolidation, and distribution services. DHL’s service offering in the aftermarket is rounded out by service parts logistics and recall solutions. Financial solutions, such as VAT deferment, are also critical for importing high-value goods.

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**DHL’s Cost Efficiency & Flexibility Proposition**

- Full range of express, air, ocean, road and warehousing services
- Supply chain optimization expertise
- Inbound to Manufacturing (I2M) management solution
- Kitting, postponement, staging & deployment
- Direct distribution
- Multi-modal transportation
- Multi-country consolidation
- Collaborative supply chains
- Repair & return solutions
- Service Parts Logistics
- Recall solutions
- VAT deferment
The third value proposition is about how the supply chain should be best managed: Simplification & Control. Technology products tend to be high-value goods, which call for appropriate security of the supply chain to minimize losses. A study on European theft on commercial vehicles in general estimates an annual loss at about EUR 8.2 billion, of which technology products are a primary target. Full visibility across the end-to-end supply chain is essential, so that high-value goods can be tracked more easily and corrective actions can be initiated proactively.

Moreover, many technology firms do not actually touch or see their product themselves any more, before it makes its way to their end customers. So, ensuring their brand is protected by providing them with the peace of mind that their products are in safe hands is all important.

In addition, with different parts of the supply chain often relying on different logistics providers, a dedicated end-to-end management and visibility function is needed to maximize effectiveness. What is more, complex, regulated supply chain models require highly specialized logistics knowledge and capabilities. And, companies today increasingly need to know their supply chain’s environmental impact, which requires visibility of their carbon footprint, too.

**LOGISTICS IMPLICATIONS AND SOLUTIONS**

As supply chains become ever-more complex, with multiple, specialized providers, there is increased scope for outsourcing supply chain management and lead logistics provider (LLP) solutions. Customers expect security standards to be established throughout the supply chain, too, requiring effective visibility, and usually as part of general service offering, often without paying a premium.

DHL offers global supply chain management, LLP and control tower solutions, harnessing advanced, end-to-end visibility tools. These include DHL’s Supply Chain Integrator (SCI), advanced realtime tracking capabilities, as well as its High Value Freight and Ocean Secure services, along with secure warehouse facilities. In addition, DHL has developed specialized competence centers for specific needs, such as for moving capital equipment for semiconductors. The tracking of supply chain-driven carbon emissions is also part of the services provided by some DHL divisions.
INNOVATION AND RESPONSIVENESS

DHL’s sector management approach for technology means it can respond quickly to shifting customer requirements, and even proactively come up with innovative supply chain solutions.

Take DHL’s Dubai Center of Excellence, for example, which makes it easier for companies to do business in the Middle East, as well as offering an efficient answer for distribution on to Africa. For Lenovo, for instance, DHL developed a tailor-made solution, in which it airfreights all the PC & laptop maker’s shipments for the countries in the region to DHL’s cross-dock hub in Dubai for customs clearance and onward transportation preparation to the respective markets. The documentation process is in progress in Dubai while the shipment is in transit to Dubai, with no waiting time, either at origin or destination. This new flow of goods saves Lenovo considerable time and money and raises its competitiveness in the region.

In another example of innovative customer solutions, semiconductor manufacturer NXP is pleased with the direct distribution solution that DHL came up with to help them provide premium warranty service with a very tight turn-around time, they turned to DHL. “Panasonic always strives to offer the best service for our customers,” says Gerhard Haeblerlein, Director Customer Support and Service at Panasonic Computer Products Europe. “Through DHL Collect & Return we can provide our wide European customer base with a rapid turn-around time for repairs and world-class service within agreed service levels. By using a trusted logistics expert like DHL, we can be sure that we receive customers’ electronic items safely and, most importantly, on time.”

Acer, too, has signed up with DHL for one-stop service and repairs in five centers across India, in Delhi, Mumbai, Kolkata, Bangalore and Hyderabad. “With this arrangement, we expect to save considerable time in the servicing and repairs of PCs,” says an Acer representative. According to Acer, this model, which merges the warehousing and servicing functions for the company, has demonstrated encouraging results and the two partners – Acer and DHL Supply Chain – are considering taking it global.

DHL is also continuously looking for innovations to boost the technology sector, harnessing the DHL Solutions & Innovations (DSI) division to this end. Radio Frequency Identification (RFID) is one such example of a technology that can be used for a number of purposes in the industry, including anti-theft, authentication services and item level visibility and track & trace, which is useful in inventory management, for example (see box). Other developments include securing prototype shipments with a “safe box” that only the receiving customer can open with a designated code.

One of the areas of focus of DHL Solutions & Innovations is on condition tracking, including temperature, humidity, shock and light impact on the goods, and the recent launch of DHL SMARTSENSOR is one of the fruits of this research. Shock tracking may be an especially relevant feature for sensitive products within the semiconductor industry. DSI is also working on an integrated offering, bringing security, capacity management and monitoring together into one simplified solution for technology customers.

These are just some examples of the ways in which technology companies all over the world have gained a competitive edge thanks to DHL’s innovative and effective supply chain solutions.
There are a number of global and industry trends affecting supply chains in the technology sector – from offshoring back to near-shoring, to direct distribution, to supply chains tailored to customer behavior, to greater security and visibility of shipments.
To cope with these challenges and maximize the opportunities, technology companies need a supply chain partner with the vision, expertise and technical capability to help them stay on the crest of these trends, and not miss the next wave of change.

**Dynamic Transformation in a Competitive Environment**

Manufacturing long ago shifted to lower-cost regions – mainly greater China. Now, these offshore contract manufacturers like HTC, Huawei and Acer, have become brand names and global players in their own right, as they start challenging incumbent market leaders. Ongoing pressure on manufacturing costs keeps driving the search for new, attractive geographies, such as China’s western provinces and South East Asia. In parallel, an important market transformation is taking place, with the locus of demand shifting to new consumer growth areas in Asia, Latin America, the Middle East and Africa.

**Volatility and Risk Management**

With external events over which no one has control seeming to happen ever-more frequently – from fuel price fluctuations to volcanic eruptions, and from unrest in the Middle East to the Japanese earthquake/tsunami disaster, supply chain continuity is a particular concern across the technology sector. Better risk management does not necessarily have to mean additional cost, however, as it can actually help save money and ensure revenue opportunities, and this is an area where customers are looking to logistics partners for help.

The biggest issue is the risk of disruption to supply – materials or finished goods – and companies are looking to spread that risk. Some companies are considering bringing operations back from China – for instance, to Europe or North America – and closer to customers, with less risk of disruptions in the supply chain. Many, however, still want the cost benefit of offshoring, while spreading the risk more and increasing flexibility by holding some inventory in the region of consumption.

**Customer Buying Behavior**

Understanding the fundamental needs and differences in customer buying behaviors allows targeted alignment of service levels and is the blueprint for a new business model for corporate supply chains. Segmenting customers according to their needs drives specific value propositions, which in turn must be supported by appropriate internal capabilities and leadership styles, to succeed. If a company then aligns its supply chain dynamically to its customer base, the result can be highly profitable, as several customers have found, working in partnership with DHL.

Today’s “Web 2.0” has led to changes in consumer buying behaviors that must be taken into account. Social media exert a growing influence on buying decisions. Online sales channels have increased transparency of the products in the market and further accelerated price deterioration. Technology companies are closely monitoring these developments, which require new cost-efficient supply chain models with higher flexibility and an increasing share of B2C deliveries.

**Collaboration is Key**

Collaborative supply chains are becoming an increasingly interesting option for>
technology companies, even if those in some subsectors show a greater enthusiasm for it than others. DHL facilitates these discussions to evaluate potential opportunities and to jointly develop options with customers.

New forms of collaborative supply chain structures are proving to be cost effective without compromising competitive or confidentiality standards. For example, for the semiconductor industry, DHL is trying to build collaborative solutions to achieve new levels of effectiveness.

Because semiconductor manufacturing tends to be clustered in the same handful of areas in Asia, using many of the same subcontractors, and delivering to many of the same customers in the US or Europe, this sector is particularly suited to a collaborative approach. By consolidating multiple shipments, the supply chain is more nimble, it reduces cost and complexity for the customer, and it is better for the environment.

A more well-known format of collaboration is along the supply chain. Component suppliers, manufacturers, distributors, and retailers all have interlinked supply chains. In particular, changes in distribution channels and the unreliability of sales forecasting require a close alignment between the various stages in the supply chain. DHL has started discussion between original equipment manufacturers (OEMs) and retailers to jointly look for potential win-win situations among all parties involved.

In fact, the awareness and acceptance of horizontal collaboration is gaining momentum. Collaboration is seen as one potential lever to reach new efficiency levels in the supply chain. While still nascent in the industry, collaborative solutions are expected to be more prevalent within the next five years.

Key drivers of this collaboration include rising transportation costs, improved utilization and asset management, and risk mitigation in emerging markets. Logistics service providers are seen as key facilitators of industry dialogue on collaborative solutions. Key barriers remain the reticence to share information, mistrust, and lack of widespread acceptance.

DEMAND DRIVEN SUPPLY CHAINS
The concept of demand driven supply chains addresses the high pace and dynamic characteristics in the technology supply chain. It is all about linking R&D, product development, marketing, and demand planning with manufacturing, logistics, supply planning and sourcing, to be able to react faster to changes and manage demand. Operational excellence, but also excellence in innovation are key characteristics for a best in class supply chain, which is even better explained by the term “value chain,” since it includes the whole value creation process of a company.

Supply chain experts from Gartner/AMR have developed the methodology and publish an annual ranking of best in class supply chains. Almost half of the 2011 Top 20 list are from the technology sector, including such leading brands as Apple, DELL, RIM, Cisco, Samsung, Microsoft, Intel and HP. They all have been acknowledged for their leadership in demand driven supply chains, which allows them to stay close to their customers with innovation in product development and operational excellence in their supply chain – and DHL is passionate about supporting them in this, going forward.
By bringing customers together in conferences and workshops, for example, DHL helps them “connect the dots” across the supply chain and think about their supply chains holistically. For example, a PC manufacturer might sit next to a distributor and a retailer, and they may have a conversation to work out how they could streamline things better. DHL can facilitate this dialogue and then provide the supply chain solution that helps all partners operate more efficiently.

In this regard, over 70 key decision-makers recently took time out of their busy schedules at Hewlett Packard, Samsung, Dell, Amazon, Motorola, and other leading technology companies, to address supply chain issues critical to their companies’ future success. They came to Frankfurt for the annual DHL Global Technology Conference to confer with industry experts on streamlining the supply chain, share best practices and compare notes with their peers. As DHL customers, they were there to learn about the latest supply chain innovations, as well as to communicate their business priorities and needs to the leading logistics provider to the technology sector.

Under the theme “Driving Value for Your Business,” topics on the agenda of the June 8–9, 2011, event addressed such key issues as supply chain security, market segmentation, sector strategies, direct distribution, and many other critical supply chain concerns of today’s technology leaders.

Customers appreciated the constructive environment in Frankfurt, which allowed them to talk openly about common issues – despite the competitiveness of the technology sector. This dialogue revealed a lot of common ground and even prospects for horizontal collaboration in the technology supply chain. DHL industry subsector leaders and customer managers have taken the feedback and ideas generated in Frankfurt on board and are organizing follow-up action plans and workshops.

These are addressing subsector-specific topics, such as supply chain capacity planning in peak seasons for mobile devices or China customs solutions for bonded networks for semiconductors. They are also looking at introducing new supply chain solutions, such as direct distribution, or representing industry discussions on end-to-end supply chain opportunities with different players involved, like OEMs, retailers and distributors. Another element includes strategic reviews with single customers on how DHL, with its wide range of services for the technology industry, can bring their supply chains to the next level.

To get as close to the customer’s thinking process as possible, DHL holds targeted workshops and customer logistics board meetings with senior representatives from industry leading companies several times a year in Asia, Europe and the Americas.

“I WOULD LIKE TO WORK CLOSER TO A SERVICE PROVIDER, BY THAT KNOW THAT I ACTUALLY RECEIVE THE BEST SERVICES”
Lars Jarmander, Sony Ericsson

“The best part was the discussion on collaboration opportunities which were presented by DHL”
Steven M. Conroy, ON Semiconductor

“We found some real synergies on how we can better work together with our key suppliers in the supply chain”
Tim Allinson, Dixons Retail

“The conference is definitely not a sales pitch from DHL; they make it clear that they do understand our business”
Maurits Matthijsse, Samsung

VOICE OF THE CUSTOMER
“DHL technology sector combines the broad capabilities of DHL to provide easy access to your global markets with cost efficient and flexible logistics solutions, while ensuring you have complete control along your supply chain.”