

Inbound to Manufacturing

Unlock the full potential of how to efficiently manage the I2M flows of materials, parts and packaging

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Inbound to Manufacturing

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Question

Which of the following department(s) are you focused on in your day-to-day role?

**Supply Chain /
Logistics**

Manufacturing

Procurement

Marketing

Other



Global Supply Chain Key Phases

UPSTREAM

DOWNSTREAM

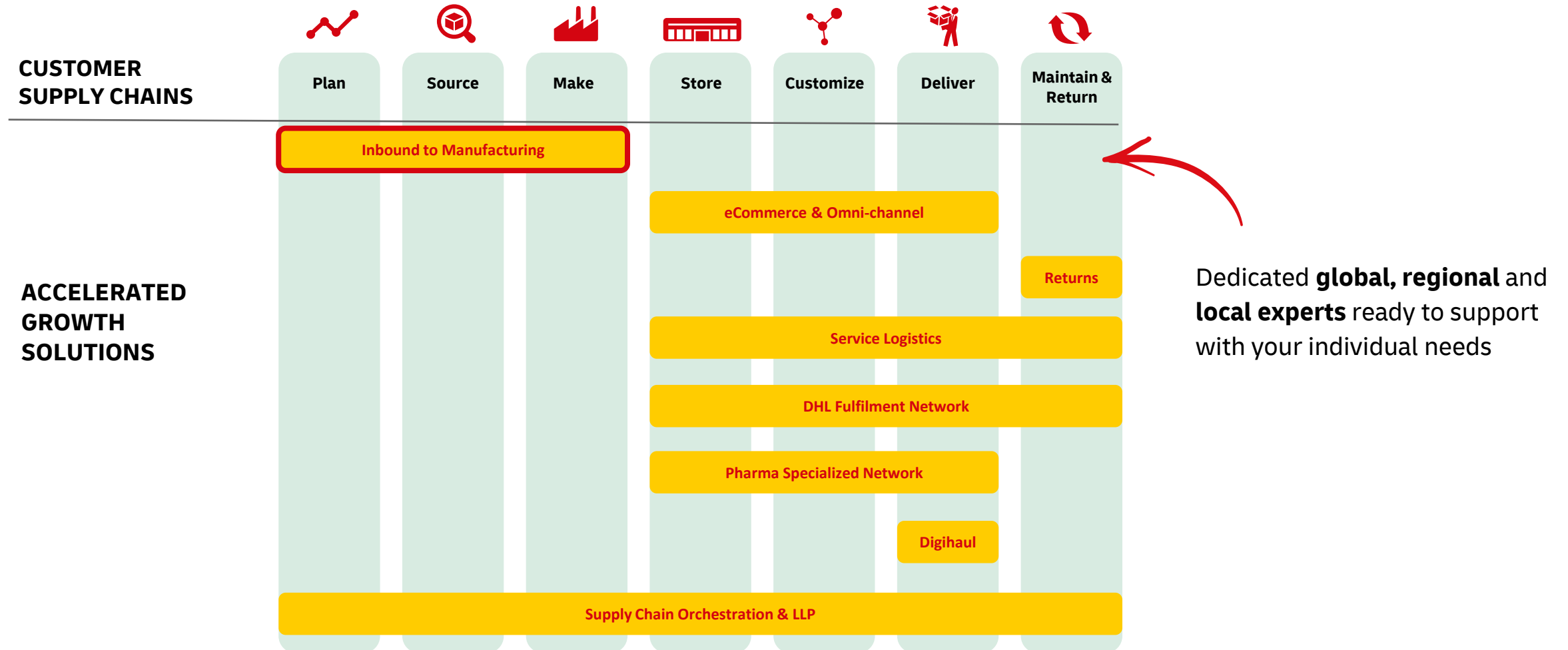


Untapped efficiencies to be unlocked

Historical focus for supply chain efficiencies

A Solution for Every Need

DHL continues to ensure it is fit for the future to support our customers



What is Inbound to Manufacturing?

I2M?

The term 'I2M' (Inbound to Manufacturing) is widely recognised as the service provision for Logistics services associated with the upstream supply chain of a manufacturer

Common alternative names:

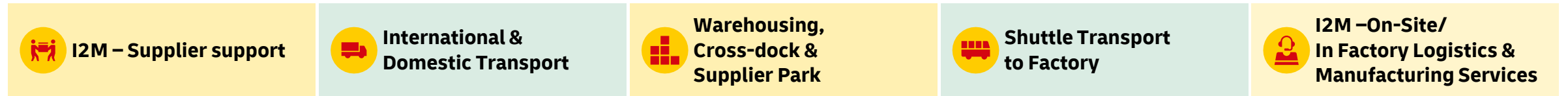
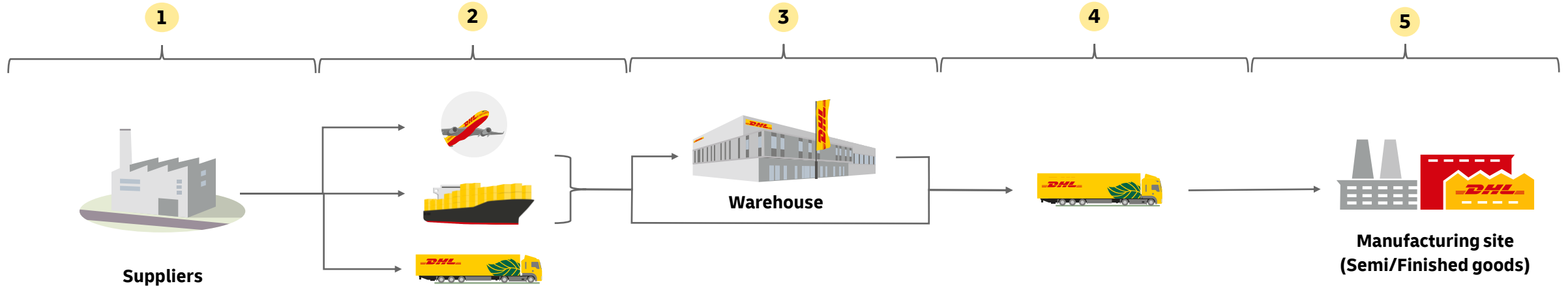
**In Plant
Logistics**

**Inbound Raw
Materials**

**Manufacturing
Logistics**

**Factory
Logistics**

Defining Inbound to Manufacturing



DHL – The Global Leader in I2M Solutions

Address increased complexity in your production lines.

Enhance production capacity to support your growth agenda.

Help you stay focused on the manufacturing, while we take care of the logistics.



14,000+
Operational I2M Experts



Temperature controlled warehouses & Trucks



89 NPS Score across I2M operations

25+
Years of I2M experience



5
Different Sectors

Operations in
30
Countries

Industry specific and country specific quality accreditations



More than 150
I2M Operations



Question

Based on your organization and experience, what do you feel creates the most complexity in inbound to manufacturing supply chains?



Inbound to Manufacturing (I2M) supports your growth

Up to 25% inventory optimization through I2M



**Increased
production**



**Reduce
supply chain
complexity**



**Leaner
inventory**



**Support global
scale**



**Differentiated
staff pay**

I2M can help you stay **resilient**, improve **market access**, **cost optimization**, and help you drive visibility and sustainability benefits.



I2M can generate significant savings and efficiencies for you

Having the correct levels of inventory is hugely important for many reasons

Production Schedules

Inventory of raw materials needs to be sufficient to maintain production schedules and expectations.

Cost of inventory

Cost of ownership of the raw materials needs to be considered. It impacts cash flow so you need to ensure that the stock is consumed in a suitable amount of time.

Protection against disruption

There are so many external influences that can disrupt your supply chain, so having a buffer volume of raw materials can help mitigate against certain risks.

This creates a need for balance

Efficiency

Agility



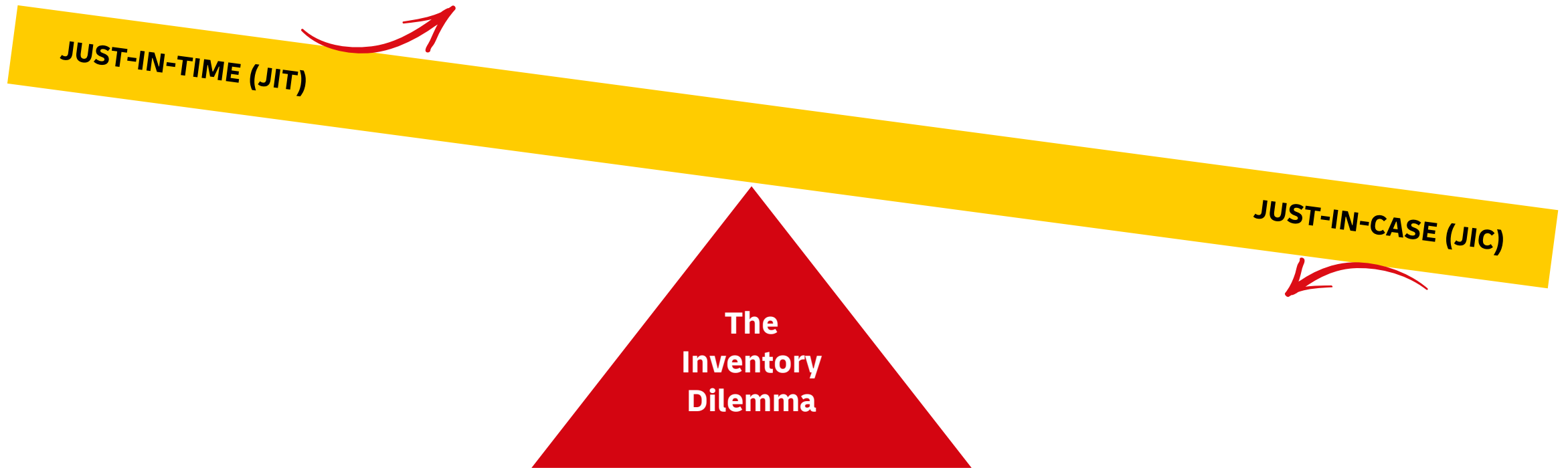
JUST-IN-TIME (JIT)

JUST-IN-CASE (JIC)



**The
Inventory
Dilemma**

But we often find inventory stock holdings increase to protect decisions and supply chains



Question

According to Deloitte, on average, how many days of inventory (raw materials) are held by Pharma manufacturers in the USA?

10 – 25 days

26 – 44 days

45 – 70 days

71 – 94 days



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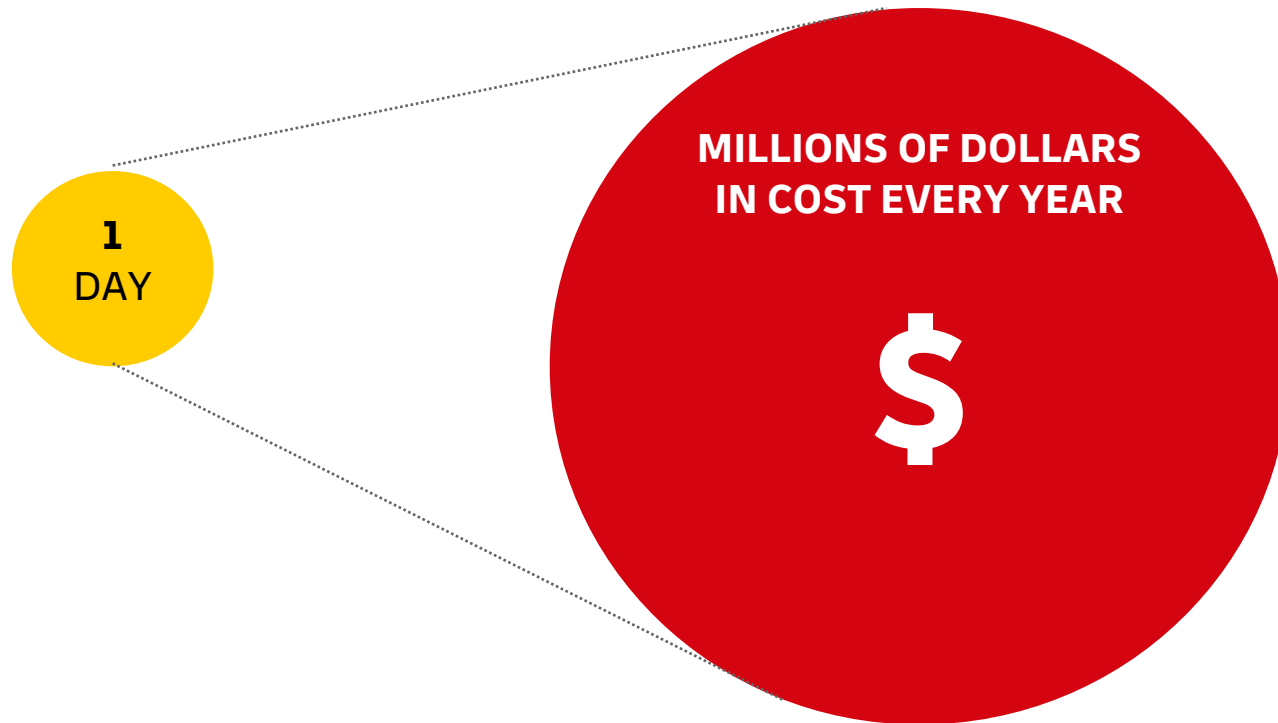


Per day, raw materials for a U.S. Pharma Manufacturer can equvalate to between
~\$3-6 million per day per \$10 billion of annual revenue

Source: Deloitte Life Sciences Working Capital benchmarks



What's the real cost of holding just one extra day of stock?



EXCESS INVENTORY TIES UP CASH, EATS STORAGE SPACE AND RISKS OBSOLESCENCE



Driving agility through inbound to manufacturing

Uncertainty can drive inventory cost...



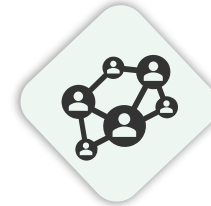
...but there are alternatives to improve agility



Inbound Supply Data and Visibility
Informing pro-active manufacturing decision making in real time



Infrastructure to Respond
Logistics resources ready and able to respond to the next challenge



Vendor Managed Inventory / Inventory Consignment
Systems and supply networks that support manufacturing agility

What do we see as the fundamentals of a world-class I2M Supply Chain?

Asset Tracking and Visibility

Description: Transport control tower with real-time tracking of deliveries into the plant.

Benefits: Raw materials delivered in full as required with minimal losses. Lost or unaccounted stock can be traced.



Clear Ownership Across the I2M Boundary

Description: No grey zones of accountability between inbound and manufacturing

- Clear ownership at every handoff (supplier > inbound > plant)
- No gaps where problems simply get “pushed downstream”
- Joint accountability for outcomes that span functions

Inbound, manufacturing, planning, and engineering share responsibility for I2M performance.



Just in Time vs Just in Case

Description: Management of inventory stock levels that optimizes the space needed for onsite stock but balances against risk of stock shortages

Benefits: Creates a clean, logical flow of raw materials / components into the production plant.



Materials arrive with intent, not just identity

Description: Most fabs have traceability. World-class I2M adds context, including:

- Why the material is needed (tool, step, priority)
- How sensitive it is (yield-critical, AMS, shelf-life constraints)
- What flexibility exists (alternates, timing windows)
- Inbound teams don't just know what arrived — they know what it is for.