



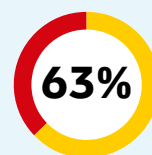
SUPPLY CHAIN INSIGHTS **SUPPLY CHAIN STANDARDIZATION FOR THE WIN**

Despite the name suggesting rigidity, standardization can enhance your business' ability to respond to market trends and disruptions by simplifying and optimizing supply chains. Here are three benefits logistics operations can achieve through a strategic approach to supply chain standardization.

DHL Supply Chain – Excellence. Simply delivered.

Supply chains have evolved into complex, fragmented networks with multiple suppliers and sales channels. This complexity presents challenges to end-to-end supply chain visibility, operational efficiency, cost control and business and service continuity. Supply chain standardization as a strategic approach offers a powerful solution to address these challenges.

This article explores how supply chain standardization delivers a wide range of benefits and presents case studies demonstrating how businesses created additional value in their logistics operations by leveraging a strategic approach to supply chain standardization.



63% of executives plan to increase designing for resiliency over the next three years by incorporating process standardization to drive cost efficiencies, modular design to increase flexibility and alternative supply base options to reduce vulnerability²

For instance, standardization plays a key role in delivering resilience, a crucial strategic topic for leaders to future-proof their supply chain. Following a period of supply chain disruptions – including the global pandemic, geopolitical conflict and trade wars – businesses are finding that disruption is not receding and the reliability of inputs is not normalizing, demonstrating a need to invest in resilience projects to mitigate exposure to future disruption¹. One Accenture survey found that the number of executives planning to increase designing

for resiliency will jump from 17% today to 63% over the next three years by incorporating process standardization to drive cost efficiencies, modular design to increase flexibility, and alternative supply base options to reduce vulnerability².

THE NEED FOR SUPPLY CHAIN SPEED

Speed and agility are paramount for businesses today, whether responding to market trends or potential disruptions. A comprehensive logistics portfolio that combines standardized, modular solutions that match your business' logistics needs can enable this level of agility. For one leading multinational company in the technology sector, our Lead Logistics Partner (LLP) solution implemented a global centralized transport management model with a control tower in the APAC region, delivering increased responsiveness, supply chain visibility and performance improvements. Our customer has estimated that productivity has improved by 18% since our model's implementation, and their on-time delivery rate has increased to over 95%. As a fully scalable solution, the operating model will be able to scale as our customer's operation grows³.

This approach to operational processes also delivers the required flexibility to adapt to seasonal peaks and troughs and reduce project implementation complexity and time, ensuring consistent operations across sites and geographies. One of the world's top Big Tech companies wanted to minimize the unproductive and frustrating IT device downtime for mission-critical, customer-facing employees. Tapping into our global Service Logistics network, we implemented a fully integrated end-to-end solution for deploying, refreshing and returning IT equipment designed around the user experience. This solution,

¹<https://www.spglobal.com/en/research-insights/special-reports/look-forward/look-forward-volume-5>

²<https://www.accenture.com/content/dam/accenture/final/capabilities/cross-service-group/iconic-thought-leadership/document/Resiliency-in-the-making-report.pdf>

³https://dhlinsights.dhlsupplychain.dhl.com/ao-lead-logistics-partner/case-study_improving-supply-chain-visibility-and-responsiveness

with a single user-friendly portal and fast turnaround times, ensures that something like a broken PC is never a disaster, even during business-critical projects⁴.

LEAVE THE COMPLEXITY, TAKE THE EFFICIENCIES

Standardization is a catalyst for speed and agility and a powerful tool for driving cost and operational efficiencies. With standardized frameworks, businesses can ensure consistency and alignment with their specific market strategies. Our DHL Fulfillment Network provides this winning combination of speed and scalability while ensuring high service standards and cost control. As a leading underwear and sleepwear brand, Jockey faced a market expansion challenge with a growing customer segment in the UK that proved tricky to serve because of Brexit and Customs regulations, causing the company significant cost increases. By leveraging the capabilities of our Fulfillment Network, goods are shipped in bulk to the UK from Jockey's current distribution center in Prague, ensuring picking, packing and shipping of customer orders from UK stock, keeping both shipping and duties costs down⁵.

The consistent deployment of standardized tools and processes throughout logistics operations also results in significant cost benefits. A global medical devices manufacturer leveraged the end-to-end supply chain orchestration approach of our LLP solution, delivering more than USD 3 million of value creation savings, with 97% on time delivery performance and on time customs performance



USD 3 million of value creation savings for global medical devices manufacturer from LLP solution's end-to-end supply chain orchestration approach⁶

⁴https://dhlinsights.dhlsupplychain.dhl.com/ao_service-logistics/case-study_dhl-supply-chain-helps-big-tech-work-from-anywhere

⁵<https://www.dhl.com/global-en/microsites/supply-chain/fulfillment-network/knowledge-hub/solving-post-brexit-challenges-for-apparel-brand-jockey.html>

⁶https://dhlinsights.dhlsupplychain.dhl.com/ao-lead-logistics-partner/case-study_global-healthcare-organizations-establish-new-supply-chains-with-help-of-lead-logistics-partner

⁷https://dhlinsights.dhlsupplychain.dhl.com/ao_packaging/case-study_reducing-environmental-footprint-through-packaging-and-shipment-optimization

⁸<https://www.capgemini.com/insights/research-library/intelligent-supply-chain/>

growth from 71% to 90%⁶. These efficiencies are realized through streamlined operations and the elimination of redundant processes, leading to a leaner, more cost-effective supply chain.

IT'S NOT EASY BEING GREEN

Putting your foot firmly on the side of bold sustainability action requires more than quick statements and initiatives. Implementing a comprehensive sustainability road map rooted in Environmental, Social and Governance (ESG) priorities with concrete metrics and reporting standards is crucial. Embedding these ESG KPIs into standardized operations ensures compliance with local, regional and global regulations, avoiding costly penalties and protecting brand reputation.



7,000 kg plastics usage reduction and 50% CO₂ emissions reduction for global life sciences leader in biological therapies by switching seven warehouse packaging consumables with sustainable alternatives⁷

A standardized portfolio of commercially viable logistics technologies, processes, and systems can directly contribute to achieving environmental sustainability targets. For one global life sciences leader in biological therapies, their sustainability ambitions specifically targeted the environmental footprint of their packaging solutions and plastic usage. By applying a strategic materials management approach with centralized procurement, we enabled consistency across all our customer's logistics operations, ensuring the right materials at the right time, maintaining cost efficiency and reducing waste. Implementing seven warehouse packaging consumables allowed us to



successfully reduce our use of plastics by 7,000 kg, resulting in over 50% CO₂ emissions reduction⁷.

Fewer than 20% of organizations currently consider themselves equipped to handle supply chain challenges consistently⁸. Supply chain standardization presents a powerful strategy for businesses seeking to improve resilience, enhance speed and agility, drive operational and cost efficiencies and even realize sustainability ambitions. By embracing standardization, your business can navigate the challenges of today's supply chains and build a foundation for success in the future.

FOR SUPPLY CHAIN STANDARDIZATION THAT DRIVES SPEED, EFFICIENCY AND COST BENEFITS

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