



EXECUTIVE BRIEF:

MAXIMIZING YOUR INVESTMENT IN SUPPLY CHAIN DIGITALIZATION

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Not long ago, deploying innovative technology solutions and automating supply chain processes required large capital investments based on multi-year ROI projections. Sometimes those digitalization investments paid dividends and other times, the systems deployed were unable to adapt to business or market changes and were effectively obsolete before a return could be realized. That was just one of the risks supply chain organizations had to navigate when moving forward with automation initiatives.

Today, many of the risks associated with digitalization have been reduced and it is easier than ever to maximize the value of supply chain technology. Here are some of the changes that have made that possible.

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Increasingly Mobile and Flexible Solutions

Supply chain automation is more flexible and mobile than it was in the past, and that takes much of the risk and disruption out of technology deployments. Rather than relying on fixed infrastructure, autonomous mobile robots work with existing warehouse infrastructure to improve productivity. They can be deployed quickly, scaled easily and repurposed to other facilities if requirements change. Even fixed solutions, such as some goods-to-person picking systems, offer greater flexibility than previous generation technologies through modular designs that enable storage capacity or throughput to be increased with minimal disruption.

As-a-Service Financial Models

The flexibility of the current generation of digitalization solutions has also enabled new financial models that minimize the upfront investment required to introduce new supply chain technology. Rather than making capital investments in the latest robotics or innovative technology, organizations can contract digitalization and automation solutions as a service. Bringing this common software model to hardware reduces the cost of new technology to be paid as an operating expense. It also ensures that your organization isn't burdened with unwanted technology if needs change or new solutions become available.

New Business Drivers

The task of calculating payback periods based on potential cost savings may seem almost quaint if you're struggling to attract and retain the labor required to maintain day-to-day operations. In that event, the business case for digitalization is all about increasing the value of limited human resources and today's solutions can accomplish that goal. That doesn't mean new technology shouldn't be expected to deliver meaningful cost savings, but if a solution can cut the need for peak season labor in half, that may be sufficient justification for moving forward, especially considering the limited investments enabled by the as-a-service model. Then, the efficiency and productivity improvements that are achieved represent "found money."

From Change Hesitant to Technology Advocates

Associates today are increasingly more receptive and excited by the opportunity to work alongside robotics and automation technology. There is widespread

recognition of the challenges organizations today face in filling open positions, making it clearer to see the role that innovation can play in alleviating that stress on the organization – and its existing workforce.

Automation solutions being deployed in supply chains today are designed with the goal of making the jobs of logistics workers easier. Innovation solutions can ultimately enable skilled labor to focus on more strategic tasks and learn new skills, increasing their value to the organization and supporting their own professional development. Autonomous mobile robots and goods-to-person solutions, for example, can save item pickers miles of walking every day, leaving them less fatigued at the end of their shifts. And Boston Dynamics' Stretch robot automates the trailer unloading process, improving associate safety and taking over physically demanding tasks. Many of these solutions use touchscreen interfaces similar to those used by associates in their personal lives, so the technology they learn onsite is familiar, rather than intimidating. As a result, deploying new technology no longer comes with the risk of alienating employees. Instead, we are seeing that integrating these solutions into operations is helping attract and retain talent in a tight labor market.

Access to Multi-Vendor Third-Party Expertise

The final barrier that has been removed is the need to qualify and manage multiple technology vendors. Third-party logistics providers (3PLs) such as DHL Supply Chain have taken a leadership position in advancing the digital supply chain. We have established relationships with vendors that span the full range of supply chain digitalization solutions, proven processes for qualifying vendors, and the rare blend of supply chain and technology expertise required to operationalize warehouse technology. Deploying technology through a 3PL also streamlines management and increases accountability. With a single partner responsible for all aspects of the deployment, your people are never in the position of having to determine responsibility for any issues that arise.



Supply chain digitalization has become a necessity and much of the risk associated with introducing that technology has been removed. More flexible solutions, new business models and experienced partners are all paving the way for supply chain organizations to maximize the value of their technology investments.

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