

TRANSFORMED TECHNOLOGY ENVIRONMENT IMPROVES OPERATIONS AND REDUCES COSTS

DHL NETWORK GLOBAL

/// CASE STUDY



Equipped with aging and non-integrated technologies, the daily management and tracking of hundreds of flight and truck movements worldwide had become costly and inefficient. As a result, DHL Network Global asked EDS, an HP company, to help transform its global logistics network.

CLIENT PROFILE

www.dhl.com

Since its creation in 1969, DHL has expanded to include more than 120,000 destinations worldwide. With more than 285,000 employees in 222 countries, DHL is one of the largest companies in this highly competitive industry.

Industry: Transportation

Headquarters: Bonn, Germany

Founded: 1969

Employees: 285,000

Business Need Addressed:
Productivity

"EDS' in-depth knowledge of DHL's business and best available technologies, as well as its industry expertise, helped make the project a success."

Robert Floren
Client Delivery Executive
EDS

Ensuring timely shipments meant transforming DHL's logistics network

With 5,000 offices delivering parcels to more than 120,000 destinations worldwide, DHL's operations are vast, complex and nonstop. Able to reach 95 percent of the world's population, the company's vans pick up shipments at the customer site and take them to local Service Centers. Those sites, in turn, forward the material, which may be documents, parcels or large palletted consignments, to a country gateway. The shipments are loaded into aircraft or truck containers and transported to larger hubs where they are sorted by destination and transported long distance by DHL Network Global - most often overnight. Considering that DHL delivers around 800,000 consignments each day, the seamless and smooth flow of information is paramount.

Over time, as business expanded, planning and executing air and road transportation movements became increasingly complex. Basic functions of the operation, such as dispatch, load planning and movement control, were supported by aging and non-integrated applications running on disparate platforms. This impeded information exchange and affected the quality and visibility of data. To address this situation, DHL established the Business Area Review (BAR) program, the goals of which included reducing costs, streamlining operations and improving service. While the company had undertaken many IT initiatives in the past, it did not have the specialized internal resources available to transform operations on a global scale. It looked to EDS for help.

EDS delivered an integrated movement planning and execution environment

DHL and EDS first conducted a basic study of DHL's existing business and the IT processes supporting air and ground transportation operations. The team then performed a second, exhaustive study to further refine concepts, choose the appropriate technologies and design an architecture that would support a new, fully integrated systems environment. With the plan of action in place, EDS and DHL began implementing the solution.

EQUIPPING DHL WITH BEST-IN-CLASS APPLICATION PACKAGES

The BAR systems architecture is based on a number of software products, including: Airport Slot Management (to request slots from airport and aviation authorities); Aircraft Scheduling; Aircraft Movement (to manage and follow up on aircraft movements); Flight Dispatch (to prepare flight plans for aircraft movements); Ground Scheduling; Ground Movement (to manage and follow up truck movements); Weight and Balance (to ensure correct distribution of containers on plane based on container weight); Network Movement Integrated View Web-based tool (to manage and follow up on aircraft and truck movements, specifically for outer hubs and smaller network locations); Middleware layer (to connect all applications through real-time messaging); and Data Warehouse (to ensure consistent reporting for all network locations based on a single, central data source).

Services featured

- Enterprise Application Implementation Services
- Integration and SOA Services

For the project's execution phase, EDS provided overall program management, worked with DHL to set up a highly available, scalable technical infrastructure, and joined with third-party vendors to implement the integrated logistics solution.

The team equipped central hubs with best-in-class packages for air and road transportation planning and execution from industry-leading suppliers. The smaller DHL locations use a Web-based application called the Network Movement Integrated View to track air and truck movements. A middleware layer integrates the different applications and makes critical information such as departures, arrivals and load information immediately available enterprisewide. This helps management make more informed business decisions and better cope with contingencies. The team also conducted extensive testing to ensure the seamless integration between multiple applications and legacy systems.

From installing air and road systems in Europe to deploying the applications in the United States and the Middle East, the team took a phased, deliberate approach to ensure minimal impact on operations.

EDS also implemented a data warehouse to provide management with powerful data analysis and data mining capabilities. For example, the warehouse creates key operational daily reports and can predict load requirements and fuel consumption.

DHL improved visibility, data quality and decision-making

Today, DHL enjoys a fully integrated movement planning and execution environment powered by the best available air and road solutions. Improved visibility on cargo movements and contents keeps DHL abreast of operations and enables it to maintain overnight service delivery commitments.

Data quality is vastly improved. Since information entered at one source is first validated, then automatically communicated to all pertinent applications, it greatly reduces the need for manual input - and the potential for error.

The new solution not only speeds up business processes and improves decision-making, it also reduces overall costs. For instance, more accurate and complete operational information enables better financial control. More advanced flight-planning capabilities reduce fuel spend. And improved cargo tracking and control lowers loading costs.

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