



AUTO-MOBILITY CASE STUDY

MULTI-USER CAMPUS ENABLES FLEXIBILITY FOR LEADING GLOBAL TIRE MANUFACTURER

In the fast-changing automotive market, tire manufacturers face increasing pressures as they respond to increasingly high customer expectations.

DHL Supply Chain – Excellence. Simply delivered.



One of the leading global tire manufacturers, which has 244,000 employees working across 554 locations, produces 115,000 tires a year at its Thailand operations.

In 2016 it appointed DHL Supply Chain as its logistics partner to increase its flexibility and agility, and improve customer service and competitiveness at its operations.

CUSTOMER CHALLENGE

As the global automotive supply chain grows in complexity, there is corresponding pressure to meet the rising service expectations of customers.

In Thailand, the manufacturer needed a local solution to take its warehousing and inventory capabilities to the next level.

A warehouse management system was required to enable end-to-end visibility of its inventory and new processes needed to increase the speed and accuracy of deliveries.

The company sought a logistics partner that could address the unsatisfactory delivery errors and lengthy lead times which had resulted from its previous partner. It also looked for a long-term, competitively-priced solution that could accommodate the volume fluctuations and month-end pressures that characterize this sector of the automotive market.

CUSTOMER CHALLENGE:

- Fluctuating volumes required more agility
- Unsatisfactory delivery and lead times
- No end-to-end visibility
- Cost pressures

DHL SUPPLY CHAIN SOLUTION:

- Multi-user campus
- Co-implementation of warehouse management system
- Flexibility of shared equipment and labor
- New tire storage design
- Barcode system to improve accuracy
- Transportation improvements including full truck loads

CUSTOMER BENEFITS:

- Optimized warehouse space enables agility
- Improved delivery accuracy and end-to-end visibility
- Shorter transport lead times
- Cost savings of approximately 7%

DHL SUPPLY CHAIN SOLUTION

The solution has leveraged the automotive experience and expertise that DHL has, with its market-leading systems and transportation network, and the potential that the Bangna Logistics Campus offers to optimize labor, warehouse space and resources.

The redesigned storage area now includes the flexibility of folding racks that can accommodate larger or more varied volumes, but collapse down to make more space when needed.

A warehouse management system has been jointly implemented with other customers to give a near real-time view of inventory positions, as well as the status of orders and deliveries. Meanwhile, the use of barcodes has improved inventory accuracy and visibility.

More efficient transportation has also been achieved through full truck loads for shorter delivery lead times to Bangkok, and the use of other DHL network hubs for up-country transport.

The use of the multi-user site has enabled greater co-operation with other operations for an efficient approach to sharing and scaling available workforce and the use of material handling equipment.

CUSTOMER BENEFITS

The solution has significantly improved the tire manufacturer's flexibility and customer service levels, while also delivering cost savings of up to 7% to the supply chain.

Newly-configured storage design allows for fluctuating volumes and a more diverse product range in the warehouse, enabling a more agile response to market demands. That efficiency and flexibility has been complemented by the new approach to sharing equipment and human resources with other customers operating from the facility.

Transportation improvements have enabled faster deliveries, with a same-day service now accounting for 30% of the total volume.

With end-to-end visibility provided by the warehouse management system, the company can minimise disruption, forecast demand and better manage operations across the entire network.

The new barcode system for recording inventory, sends information directly to the driver, helping to guarantee delivery to the right location.

FOR FURTHER INFORMATION

Contact our supply chain experts [here](#) >
or visit our [website](#) >

