



AUTO-MOBILITY CASE STUDY

TIRE SUPPLY CHAIN ENHANCEMENTS PAVE WAY FOR BUSINESS GROWTH

One of the world's largest manufacturers of automotive and aircraft tires employs more than 60,000 people in its manufacturing sites across the world.

DHL Supply Chain – Excellence. Simply delivered.



For over 50 years the company has operated in Thailand where it manufactures, distributes and exports tires and related products.

CUSTOMER CHALLENGE

Following the implementation of an aggressive growth strategy in Thailand the company required significantly more warehouse space. As a result, it relocated to a new, larger site in Ayutthaya which provided it with the capacity to handle 750,000 tires each year.

This relocation, however, led to a number of operational issues.

The absence of a warehouse management system meant that there was inadequate control over the company's inventory, and a lack of visibility along the supply chain.

Sales orders were sent and confirmed manually, via email, between the company and DHL which led to inaccuracies arising as a result of human error.

In a highly competitive market, the company also needed to reduce its service lead time but a lack of innovation in the tire management supply chain impeded this aim.

Adding to the challenges was the fact that safety and security throughout the warehouse operations needed to be improved in order to protect those working there.

CUSTOMER CHALLENGE:

- Lack of WMS
- No visibility along supply chain
- Inefficient manual processes
- Reduce lead time
- Improve safety

DHL SUPPLY CHAIN SOLUTION:

- Implemented MySupplyChain
- Integrated WMS with SAP
- Innovative approach and continuous improvement
- Automated conveyor
- Energy efficient lighting

CUSTOMER BENEFITS:

- Flexibility and agility
- End-to-end visibility
- Order accuracy and inventory control improved
- Lead time and manpower reduced by 30%
- Cost saving of 5%
- Carbon reduction

DHL SUPPLY CHAIN SOLUTION

DHL completed a seamless migration to the new warehouse in little more than two weeks.

With a warehouse management system deployed and integrated with the company's SAP systems, sales orders were able to be sent and received via the system, rather than requiring manual intervention.

Technology has been used to lower the company's cost to serve and increase its operational efficiency, as well as improve environmental sustainability through the use of measures such as energy efficient lighting in the warehouse.

Tire scanning is now used for both inbound and outbound transport, ensuring a quality service and high levels of customer satisfaction.

The warehouse has been adapted to make use of productivity-enhancing automation in the form of a new conveyor system.

Other innovations include a new tire stillage design for storage, and new 'Hook & Drop' transport for inbound from the plant.

Meanwhile, complete product and supply chain visibility has been enabled through MySupplyChain, the secure, easy-to-use DHL platform which is effectively a one-stop shop for supply chain data.

CUSTOMER BENEFITS

DHL has brought innovation and continuous improvement to the company's supply chain, providing it with a competitive advantage to accelerate its business growth, in particular by improving its service level to end customers.

Having embedded a system of visibility and control, the company now has a platform that will allow for continued, sustained growth. Its supply chain has the flexibility needed in a demanding market so that it can be agile for both an urgent response and scaled volumes.

The integration of the warehouse management system has significantly improved order accuracy, shortened the lead time by 30%, and reduced the manpower required – also by 30%. Control of the tire inventory has also been improved.

Implementation of the automated conveyor system has enabled productivity to be significantly enhanced, while a cost saving of 5% has also been achieved.

Overall safety standards have been significantly raised, and there has been carbon reduction through a more streamlined transport flow and the use of energy efficient lighting.

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