Case study
Network Design and Modeler

DHL

DHL Optimizes Transportation Processes to Deliver Success

7%

direct savings as a result of better optimization, use of vehicles and stops per vehicle

15%

approx savings for a prominent retail customer based in the United States through DHL's leverage of the capability across delivery, fleet and location parameters

On achieving greater visibility:

"We have to continually evaluate transportation costs, warehouse costs, and service levels. These solutions can show us the impact in service levels, and transportation and warehouse costs, as well as how we can improve the service levels." **– Manager of Global Logistics Processes, DHL**

Challenges:

- As the world's largest express and logistics provider, DHL strives daily to meet its customer requirements by optimizing schedules, loads and processes within its current business constraints. This entails finding the most cost-efficient solutions for determining servicing locations, maximizing transportation costs and identifying consolidation opportunities.

- The company needed to gain a better understanding of how to quickly provide solutions customer projects and needed more flexibility and agility in controlling their vast network of operations.

- DHL's goals were to enable transportation cost savings, improve optimization exercises and communication of results, replicate and evaluate business scenarios and understand the impact of various variables on proposed transportation solutions.

On achieving greater control:

"The control reports generated by these solutions help us understand not only the assumptions, but also the gaps in information we need to know in order to develop a desirable solution. We input all of the business rules, orders, constraints, demand requirements, costs and individual processes to determine the impact on the overall scenario."

On achieving hauling savings:

"For a consumer goods sector in Mexico that has 13,000 shipments, 18,000 lanes, and 1,500 locations, modeling helped us to define the baseline and identify consolidation opportunities. We found that once you create a baseline and let modeling apply specific business rules, the biggest savings occurred."

Solution benefits:

- The analysis and realistic decision making provided by Blue Yonder's modeling and network design solutions allows DHL to produce the optimal solutions required of their vast customer base.

- The company has leveraged modeling to substantially cut transportation costs for other manufacturing, retail and consumer goods customers worldwide.

- DHL also uses transportation modeler to create tactical solutions, compare cost scenarios, and determine how changes impact service levels.

Blue Yonder's expertise:

DHL leverages Blue Yonder's solutions to solve problems ranging from evaluating the impact of different ship dates for a manufacturing customer, to determining hauling savings for a retail customer, to identifying consolidation opportunities for a consumer goods sector.

"We have to continually evaluate transportation costs, warehouse costs and service levels. These solutions show us the impact in service levels, and transportation and warehouse costs, as well as how we can improve the service levels."

Luminate Logistics
Luminate Planning

BlueYonder