

NDIA Logistics Conference

Supply Chain Integration Challenges & Success Stories

**Andrew Jones, Vice President
Government / Defense Sector
UPS Supply Chain Solutions**



Commercial and military customers face several similar challenges in implementing streamlined supply chains; among them...

Meeting extremely demanding service levels (effectiveness) while controlling ever-increasing costs (efficiency).

Ensuring consistent service levels across multiple geographies and operating units – addressing globalization, acquisitions, and divestitures.

Understanding that supply chains need to work as well in reverse and they do in forward.

Hiding and eliminating supply chain seams that cause delays, service interruptions, and excess costs.

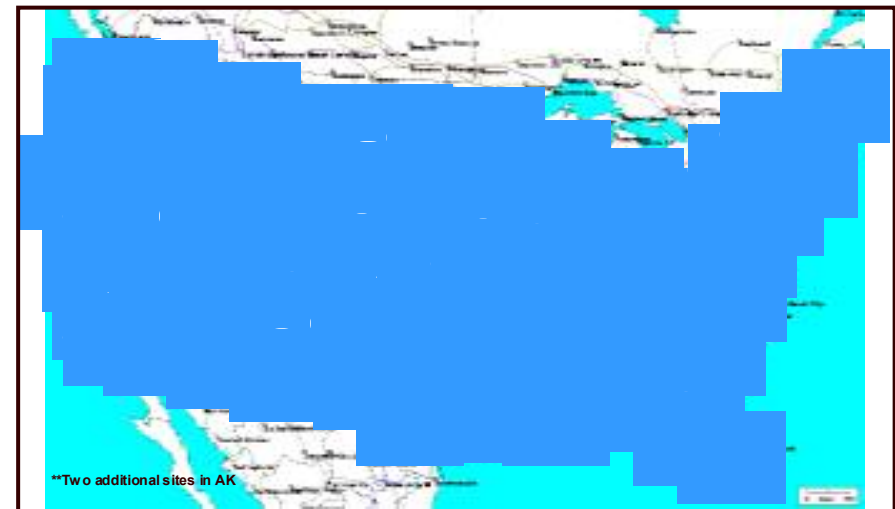
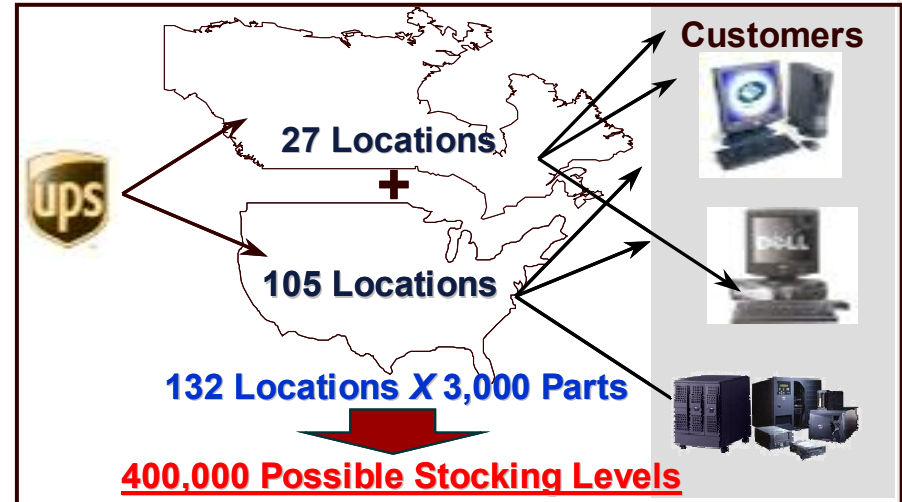
Dell uses supply chain superiority as a competitive advantage.

To maintain unparalleled service levels across the entire US, Dell developed a service parts network

Same day service to 99% of US population

Centralized replenishment minimizes inventory levels throughout US and Canada

Use of third-party shifts costs from fixed to variable



Growth and globalization put pressure on costs and effectiveness for a leading medical diagnostics firm.



Managed more than 2 million deliveries per year across more than 30 providers; depended upon 25+ IT systems

Service levels varied significantly by geography; growth fueled further disparities

Solution

Hired “one throat to choke” for all transportation and warehousing of critical parts – globally. Service levels improved by 75% in some geos.

Implemented a single global IT platform for all orders/shipments one central system of record for every transaction

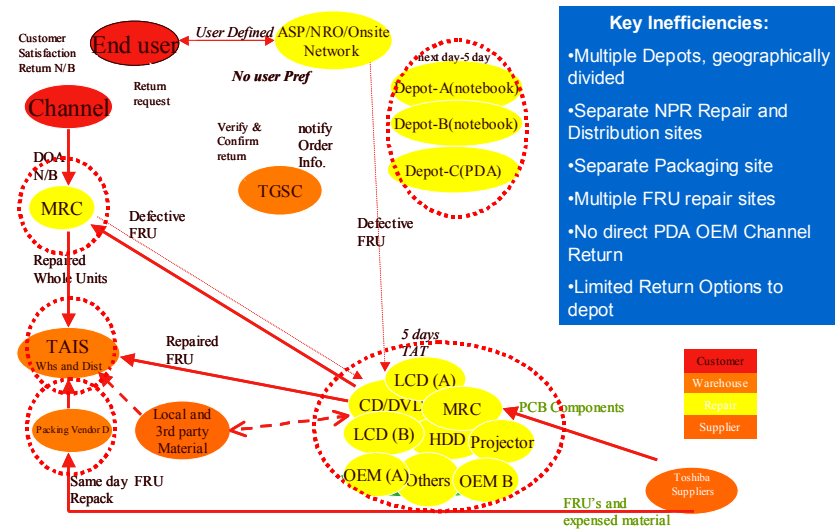
Toshiba needed to reduce its laptop repair and logistics costs, while improving customer service.

Challenges / Goals

- Reduce excess cycle time and inventory investment
- Dramatically reduce fixed expense
- Improve control of warranty cost recovery
- Create a standardized repair and reporting methodology
- Improve customer satisfaction through cycle time improvement, reduction in repeat returns



TOSHIBA



Results

- Eliminated 8 days of inventory, as well as nearly \$1M in depot consigned inventory
- Reduced repeat repair incidents by 41%
- Next day returns improved by 17%
- Statistically significant increase in “delighted” customers

Cisco Systems wanted to re-engineer its supply chain to better serve a global customer base.

Challenge

Managing multiple service providers

- Supplier to Cisco
- Supplier to customer
- Cisco to customer



Solution

Created an integrated solution that included cross-docking, order fulfillment and value added services occurring from a centralized European distribution center.

- Consolidated transportation carriers
- Provided a single point of contact for Europe shipments
- Achieved on-line visibility of the supply chain
- Enabled time-definite deliveries and consistent rates
- Handled customs clearance, documentation, billing and carrier selection

