DHL RESILIENCE 360

Turning a potential disruption into competitive advantage



Natural disasters, adverse weather, political unrest, cargo theft – all of these events can cause disruption in the supply chain.

DHL Resilience360 is a cloud-based platform that helps companies manage these risks by mapping their end-to-end supply chain, building risk profiles and identifying critical hotspots, to ultimately initiate mitigation activities. In near-real time, the solution provides alerts on incidents that could disrupt the supply chain. With this new risk management tool, Deutsche Post DHL supports both small and large companies in maintaining and protecting their business operations.

RESILIENCE360
SUPPLY CHAIN RISK
MANAGEMENT SOLUTION



Introduction Incidents can affect supply chains anytime & anywhere

2001

CISCO had to write-down USD 2.2bn due to an inefficient inventory management only designed for high demand & big buffers.

2008

Around 15% of SHELL's sites in UK were impacted and some 112 out of 8,900 petrol stations were forced to close due to a labor strike.

2010

BMW halted production, losing 7,000 vehicles in a week after a volcanic ash cloud delayed delivery of vital electronic components.

2011

TOYOTA produced 500.000 less vehicles than planned and quarterly profit shrank 75% following **the tsunami** in Japan.

2010

ELI LILLY & CO lost drugs worth USD 75mn in a single theft from a warehouse.

1998

GM lost over USD 2bn due to labor strike that disrupted production in several US states.

2013

A strike by 220,000 members of the National Union of Metalworkers in South Africa resulted in a six day production stop for General Motors.

2011

SHIN-ETSU CHEMICAL, and ASAHI KASEI experienced production outage in Thailand due to widespread floods across the country.

2014

SAMSUNG lost 40.000 electronic devices worth more than USD 6mn from a single cargo theft in a factory in Brazil.



Source: Desk Research: News Agencies (CNN – Toyota May Lose 500,000 Vehicles of Output Post-Earthquake, Analyst Says, Business Week – Apple: The Fall of an American Icon, Chicago Tribune – Gm's Strike Loss Grows USD 1.65Bn, Rheinische Post - BMW stoppt Produktion in drei Werken ICIS-Japan disaster: BASF curbs production, closes plants; BDP international-Flooding Forces Shutdown of Chemical Plants in Thailand; BBC-Fuel strike begins to hit supply; Analyst Says, Reuters - Thieves grab up to \$75 million in Eli Lilly drugs; WIPRO – Supply Chain Vulnerability in Times of Disaster; MIT – Reducing the Risk of Supply Chain Disruptions); http://www.sabc.co.za/news/a/19037f8044ad98d49597fd3bfe17c0b1/Numsa-strike-impacts-GM-production-20141007



Introduction The consequences of brittle supply chains



81%

EXPERTOR

G R O U P

Business Continuity
Institute

companies had at least one SC disruption in 2013 with average disruption costs of 3 million Dollars¹⁾



93%

WORLD ECONOMIC FORUM of the leaders of the worlds top companies in the CEO summit in 2012 are unprepared for Supply Chain disruptions²⁾



91%

PMG

of American Supply Chain executives cannot assess the impact of a disruption within hours³⁾



10%



is the average of shareholder value reduction after a supply chain disruption⁴⁾

Source: 1) Business Continuity Institute & Experton Group; 2) World Economic Forum Supply Chain and Transport Risk Survey 2011; 3) Jeff Dobbs, Global Sector Chair, Diversified Industrials and a partner with KPMG in the U.S. 4) Hendrick & Singhai, "The Effect of Supply Chain Disruptions on Long-Term Shareholder Value, Profitability and Share Price Volatility



Introduction Resilience360 – a holistic risk management solution

Rates your supply chain risks and resiliency, identifies risk hot spots and recommends suitable mitigations

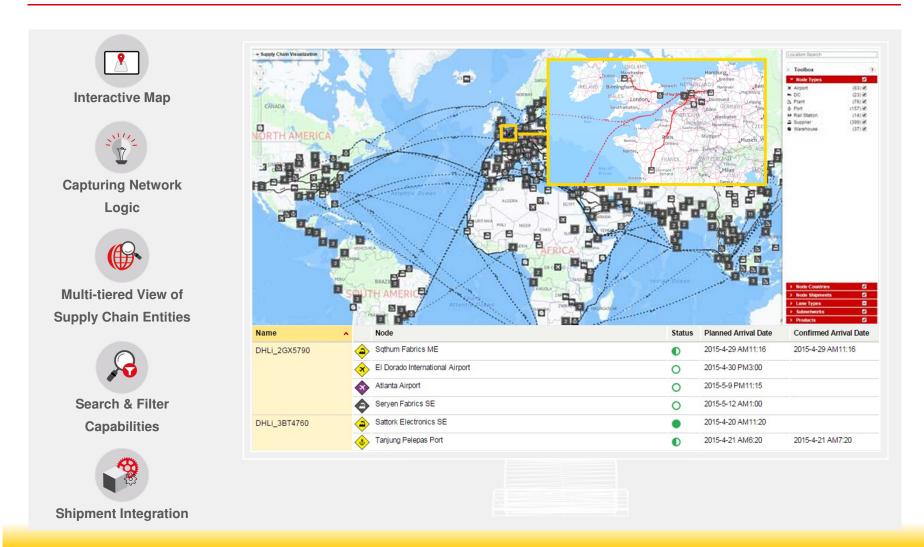


Monitors your supply chain in near real-time for incidents, filters relevant information and triggers follow-up

24/7 Risk Control Towers determines your impact on business continuity, highlights existing gaps and implements efficient mitigation actions

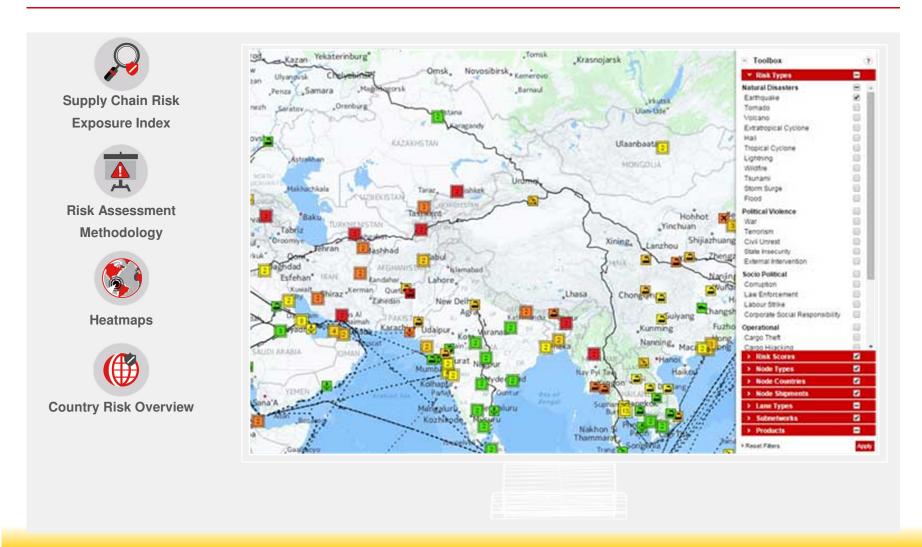


Supply chain visualization R360 paints an easy-to-comprehend view of the supply chain



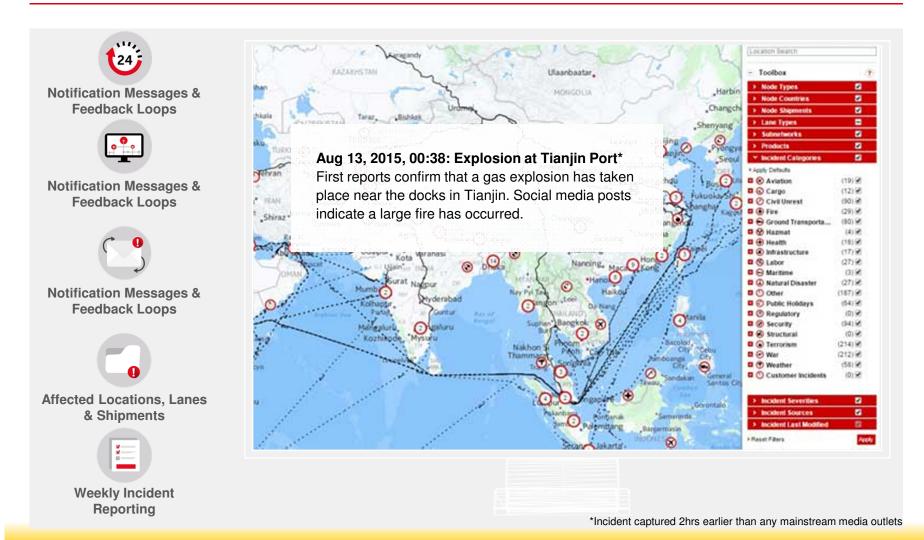


Risk assessment R360 evaluates risk and rates the resiliency of your supply chain





Incident monitoring R360 provides near real-time alerts relevant to your supply chain





Risk response Data driven risk control tower responds to disruptions

24/7 Monitoring of Incidents

Impact Analysis and Alerting

Execution of Predefined Mandates

- Continuous monitoring of events by trained DHL staff, based on R360 and customer supply chain data
- Create synergies as several customers can be monitored by a shared resource and sector interdependencies can be identified
- Identify the severity and impact of the incident
- Use predefined criteria to inform the correct customer department and contact
- Deep dive analytics on possible impact scenario and available mitigation measures using DHL's logistics network

- Use insights to create backup plans for possible risk scenarios
- With customer approval, execute mitigation measures on behalf of customer

Customized weekly reporting on customer/sector risk scenarios and indicators

Continuous business continuity survey of the supply chain partners to ensure preparedness





Summary Voice of Resilience360 customers

Due to our massive footprint, a security situation arising anywhere in the world has consequences for certain parts of DPDHL's business. Bearing this in mind, Resilience360 brings an enormous boost to the efficiency and effectiveness of our global security situation monitoring capabilities by equipping our security staff with leading-edge tools and methodologies.

Frank Ewald, Head of Corporate Security, Deutsche Post DHL

This assessment was an eyeopener, because we never looked at supply chain risk holistically before. Now we know where the risks are.

An D'haenens Logistics Manager EMEA, DuPont

"

This pilot exceeded expectations. It shows the value of risk assessment and constant incident monitoring, and makes a strong case for supply chain risk management across the business.

Peter Heim, Senior Manager Logistics, ZF Group

With Resilience360, we gain better visibility of our end-to-end supply chain, and we're aiming to expand this view to our first tier suppliers and our outbound supply chains. By integrating Incident Monitoring functionality into our supply and delivery processes, we are able to anticipate events and avoid disruptions, and reserve alternative resources before the competition can, effectively safeguarding the delivery of each customer order.

Peter Schonefeld, Head of Supply Chain Management, Schmitz Cargobull AG





Summary 10 reasons why you should invest in resiliency





Summary The global leader in logistics – a perfect choice

Holistic Approach

We offer an IT solution and related consultancies in complementary program, creating an integrated approach to supply chain risk & resilience management.

Unique Combination

We provide a unique combination of logistics expertise and technical ability to assess your supply chain risks and recommend appropriate mitigation measures.

ATTENTION

Global Presence

We have operational staff in over 220 countries and territories to take quick action in case of unforeseen events.

Strong Partnerships

We combine an exceptional network of incident data sources and risk intelligence experts on a global level through strategic partnerships in order to bring you valuable and information relevant to your supply chain.



