

# CROSS-BORDER FULLFILLMENT



## LEVERAGING A 3PL'S EXPERTISE AND OPERATIONS ALONG THE U.S.-MEXICO BORDER MAKES A LEADING PRINTING COMPANY EVEN MORE COMPETITIVE

In today's economy, companies of all sizes are seeking ways to cut costs and improve their balance sheets. In this case, a leading provider of printing and imaging products sought to streamline its retail and consumer supply chain by relocating fulfillment centers closer to its Mexican manufacturing facility. The catch: the new operations needed to be up and running within 90 days in a region where real estate is hard to find and cross-border delays are common.

It wasn't an easy task — the company had already given its current supplier a 90-day notice and was still in the process of evaluating the best solution to streamline its cross-border operations. It needed a nimble partner to not only expedite the move, but to implement an efficient supply chain solution that could support fulfillment to customers around the world. It found such a partner in DHL, as the company offered local experience on both sides of the border, and the global resources to make its business goals a reality.

### THE CHALLENGE

The advantages of relocating warehouse operations were numerous for this competitive printing and imaging company. Transportation costs could be reduced by bringing its fulfillment center, then located in the Midwest, closer to its manufacturing plant in Mexico. This move would also streamline inventories and reduce stock-outs, which were common.

The right locations would be near the border so the company would have the opportunity to shorten cycle times and take advantage of potential tax savings. However, as the company soon found out, the challenges of moving operations south of the border were considerable. Real estate options were limited and market conditions ever-changing. It couldn't see how to make the move happen fast enough to meet its deadline, hit quarter-end targets, and provide continuous service to its existing business without disruptions.





### Challenge

- Streamline and improve supply chain operations to support consumer and retail orders
- Identify supply chain partner with operations on both sides of the border
- Reduce transportation and distribution costs
- Lower warehouse inventory
- Implement within 90 days

### Solution

- Identify and establish operations in the right markets
- Relocate fulfillment center closer to manufacturing
- Leverage existing operations along U.S.-Mexico border
- Align distribution processes on both sides of the border

### Benefits Summary

-  Operational costs
-  Recognition of revenue at month & quarter end
-  Inventory levels and stock outs
-  Facility start-up within 30 days

**“To achieve a fully operational facility within 30 days is a significant accomplishment. DHL proposed a solution that offered advantages on both sides of the border, and we implemented it ahead of schedule. DHL’s operational knowledge and dedication to continuous improvement continues to benefit the operation.”**

– Marc Blouin, DHL’s vice president of operations for the technology industry

## THE SOLUTION

After extensive analysis of the company’s supply chain, DHL proposed a two-pronged approach that would help the customer realize the best of both worlds.

The solution: DHL established two facilities — one in Mexico and one in Texas — to shorten lead times and maximize tax benefits. The new distribution center in Mexico receives product from local manufacturing plants and global suppliers for distribution to its customer base in Latin America, Canada and the rest of the world.

The second location in El Paso, Texas, fulfills orders to U.S. customers, while leveraging later cut-off shipping times and shortening distribution cycle times. It was also an existing, available DHL property, a key to success in light of timeframe pressures. DHL offered established capabilities in the border area, bringing instant credibility and knowledge, and accelerating the solution.

In the execution phase, DHL demonstrated both the strength of its logistics network and its on-the-ground ability to get things done. With hands-on workshops that clearly defined project requirements, and a diverse network of warehousing, transportation, and IT capabilities across the Americas, it was able to bridge the border and establish two functional operations ahead of schedule.

## THE RESULTS

“Working hand-in-hand with the customer’s operations, we opened the Texas fulfillment center within 30 days of occupying the building,” said Mark Woods, DHL’s director of operations for the technology industry. “Our detailed project management approach to warehouse startups seamlessly directed the many operational points involved including racking, permits, stripping, line setup, IT network infrastructure and staffing.” By achieving a 30-day timeline, rather than the predicted 90 days, the customer exceeded expectations for shipping product in the quarter. The financial benefits of the newly designed network also helped DHL’s customer boost month-and quarter-end profits.

Closer proximity to the manufacturing plant has streamlined inventory levels and reduced stock-outs, and the company now recognizes revenues sooner at such key points as month- or quarter-end. DHL also provides shared management resources, and key operational metrics ensure alignment of processes and personnel on both sides of the border.

**The best product in the world is useless if you can’t deliver it into the hands of your customers quickly and in good condition. That’s often easier said than done.**

**Contact DHL today for consulting and analysis services to help improve your supply chain and get products to your customers faster. No matter what side of the border they’re on.**

### For further information:

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