DHL
Axway B2B Helps Reduce Costs and Improve Trading Partner Management

Headquarters
Bonn, Germany

Industry
Transportation & Logistics

Challenge
Connect multiple, changing and disparate IT systems, communications protocols and security preferences to drive more efficient flow of physical goods

Solution
Axway B2B

Results
- 10% reduction in operational costs
- Simple solution to deploy and manage
- 1,000 partners on board by Q3 2004
- Met demands for scale and fault tolerance

A Service-Level Advantage Created By B2B: Growth Through Acquisitions; Tough Competition

Servicing cargo support to more than 240 different countries, DHL operates the world’s largest air-express network from three international data centers. As a supply-chain and logistics network, DHL was working with global customers using heterogeneous IT infrastructure and communication systems.

DHL also was bursting with growth in its acquisitions of Danzas, a European-based freight carrier, Deutsche Post Service, the parcel and distribution network, and Seattle-based Airborne Express.

Recognized as a reliable brand in many parts of the world, DHL faced a daunting competitive challenge in the overnight delivery market in the United States. With incumbent stalwarts FedEx and UPS, how could DHL differentiate its service to a sufficient degree in order to win?

The Business Challenge: Turning Data into Money

Logistics is all about the efficient flow of physical goods, and that movement is predicated upon the flow of data.

Given the multiple means by which the new DHL was exchanging data with the outside world, harmonizing these flows through a single, controlled means that could drive physical goods’ movement was the driving challenge.
In many instances, customers were placing orders through the new DHL’s many organizations — express shipment, European freight, air and ocean freight, and contract logistics — as if they were different businesses: different means of ordering, tracking, fulfillment, and payment. Servicing customer queries and issues was expensive, inefficient, and ultimately, did not create a service-level advantage DHL needed to surpass its formidable competition.

DHL wanted to integrate customer-service systems to increase competency in its online business transactions that would, in turn, orchestrate the movement of physical goods for customers. But that was just the beginning: DHL’s IT executives conceived a centralized B2B gateway that would consolidate all communications, and provide visibility, control, and customer self-service to such a degree that it would provide a significant competitive edge over its rivals.

The scope of this plan was ambitious; in fact, on a scale that few companies in any industry worldwide had achieved. Administering its business out of 118 hubs and 238 gateways, DHL’s number of operation points would increase with its final integration of the new acquisitions. This overflow of information systems among its many businesses demanded reconciliation in its structure.

The Axway Solution: A Smarter Approach to B2B With Thousands of Partners

Given the critical nature of the project from a competitive perspective, the number of business partners with which DHL conducted business on a global scale, and given the staggering volume of transactions on an hourly basis, DHL needed a highly scalable, fault-tolerant, enterprise solution that would be rapidly deployed to its customers.

DHL selected Scottsdale, Ariz.-based Axway, a software provider that had become recognized for its trading partner management capabilities, i.e., taking the complex tasks of connecting multiple, changing, and disparate IT systems, communications protocols, and security preferences and making them simple to deploy and manage across thousands of partners. The enterprise version of Axway’s B2B gateway met DHL’s demands for scale and faulttolerance.

DHL gave customers the ability to exchange, manage, and troubleshoot business transactions in real time, such as air waybill number, reference and purchase order number or item description, under secure and controlled access. Axway’s business activity monitoring (BAM) capabilities provided DHL with notifications and alerts to transactional challenges so that DHL could address them before they became problems.
The Bottom Line: A Service-Level Advantage Created by B2B

For the ever-growing DHL organization, the consolidation of its business also cultivated savings. In 2003, DHL had accomplished more than 150 customer integrations. By halfway through 2004, the number of partners on board had jumped to nearly 1,000. The initial stage of consolidating its infrastructure within the Americas had saved 10% of DHL’s operational costs. DHL estimates it will save over $60 million with its global IT consolidation.

The sun never sets on DHL’s customer integration operations. With the help of Axway, DHL was able to harmonize its data flows to such a degree that it accelerated the flow of physical goods. The net effect of this created for DHL a service-level advantage that gave it the ability to take on the competition — and win.