



OVERVIEW

Dell needed to develop a solution to manage all of the suppliers associated with their "Alpha" parts while delivering overall cost savings and scalability to meet future growth.

With WWT's solution, Dell consolidated supply chain management, leading to cost savings, operational efficiencies – and better visibility and control of the entire supply chain.

KEY BENEFITS

- Co-Located Distribution Centers
- Integrated Systems and Processes
- Management of the Supply Base
- Reduction of Outside Resource Costs
- Improved Planning and Visibility

ABOUT DELL

Dell Inc. listens to customers and delivers innovative technology and services they trust and value. Uniquely enabled by its direct business model, Dell is a leading global systems and services company on the Fortune 500. For more information, visit www.dell.com.

DELL

World Wide Technology Successfully Consolidates Dell's Supply Chain

CHALLENGE

Dell is known throughout the world as a leader in supply chain management and just-in-time (JIT) manufacturing. Relying heavily on a vendor managed inventory (VMI) model, Dell has nearly eliminated inventory cost while maintaining a JIT manufacturing strategy. Key to supporting this strategy is the ever changing and increasing number of suppliers needed to manage inventory for Dell.

In 2002, Dell recognized that in order to continue scalable growth, significant process innovation would be required. After a thorough partner selection process, Dell issued a request for proposal to evaluate potential solutions to address this challenge.

SOLUTION

After a thorough evaluation, Dell selected World Wide Technology (WWT) for its ability to leverage key elements of previous supply chain experience, unique end-to-end systems offering and flexibility demonstrated by the proposed approach.



Since 2003, WWT has been responsible for the procurement, inventory management and distribution of direct material classified as "Alpha" products integrated into Dell's finished goods.

Implementation of the WWT solution fundamentally changed how materials are delivered to Dell. Multiple supplier deliveries have been replaced by a single truck delivery containing all replenishment products arriving in 45 minute intervals. Using radio frequency (RF) devices, WWT Site

"We are committed to expanding supplier diversity and doing business with companies with a history of success and a culture of speed and flexibility."

TECHNOLOGY

WWT developed a single supplier solution utilizing wireless technology, B2B systems integration and a robust back-office infrastructure.

“Our new program with WWT has created new efficiencies and simplicity in our supply chain. Consolidating supply chain management with a single entity has eliminated a lot of waste.”

ABOUT WWT

World Wide Technology, Inc. is a leading Systems Integrator providing technology and supply chain solutions to customers and suppliers around the world.

Visit www.wwt.com to learn more.

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Coordinators on the factory floor generate demand signals to the co-located distribution center initiating the pick, pack and delivery to the factory just prior to consumption.

WWT's solution consisted of three major components; People, Process and Partners.

People

In the legacy environment, each supplier was required to provide an on-site resource to maintain inventory levels in the factory. Upon implementation of the WWT solution, WWT became the single partner providing resources on the factory floor, reducing the overall number of resources required to maintain continuity of supply. WWT also built a dedicated team of material planners, vendor managers and process consultants to ensure end-to-end management and efficiency of the solution.

Process

WWT brought several process and technical innovations to the Dell team. First, WWT developed a suite of forecast, inventory and demand planning applications calibrated to fluctuations in Dell's manufacturing process. Second, WWT opened distribution centers co-located with each Dell factory reducing lead times to 45 minutes or less. Finally, implementation of a RF based barcode scanning system used for product acceptance, replenishment requests and invoice reconciliation at the factory floor. These innovations while removing cost also provided much greater visibility and reliability relative to continuity of supply.

Partners

Key to the WWT solution was working with each of the legacy suppliers. Management of 40 suppliers with 40 different processes and systems was a key challenge that the team faced. Leveraging technology, the WWT team



was able to provide an integrated process for each supplier to receive orders, monitor forecast and reduce personnel cost. Also, by reducing entry barriers for suppliers wanting to work with Dell, WWT has been able to introduce a new level of free market competition further reducing SKU prices for individual components managed by WWT.

RESULTS

WWT successfully developed the needed systems, opened three initial facilities and put together a support team in just under three months. In addition, the project went live just prior to the holiday season, which is typically the most critical time of year for Dell's business. A member of Dell's supply chain management team noted, "Our new program with WWT has created new efficiencies and simplicity in our supply chain. Consolidating supply chain management with a single entity has eliminated a lot of waste."

Dell has been able to acknowledge savings across multiple business areas, recognize overall SKU price reductions and experience a scalable process necessary to support Dell's overall growth. Since the program began in 2003, WWT has added three additional distribution centers, added more than 50 suppliers, built a team of more than 100 people to support Dell and is expanding into Dell's international manufacturing facilities.

