

TECHNOLOGY CASE STUDY

ENABLING AFTER-SALES SERVICE THAT PROVIDES A COMPETITIVE ADVANTAGE



Having entered the Indian market in 2014, a Chinese consumer electronics manufacturer had become the largest smartphone brand in the country within two years, with revenues of \$1 billion.

In order to support its Authorized Service Centres and customers, the company operates two large distribution center warehouses in Bangalore and Gurgaon via a contractual agreement with DHL Supply Chain. The excellence of DHL Supply Chain's logistics solution has contributed to the Chinese consumer electronics manufacturer achieving the distinction of being recognized as providing the best after sales service in India.

CUSTOMER CHALLENGE

In order to gain an advantage in the extremely competitive Indian electronics market, the Chinese consumer electronics manufacturer recognized that it could not overtake the market leader by simply offering cheaper products. It needed to gain the edge by offering higher levels of service.

It therefore needed to reduce the serviceability time in order to improve after sales service performance. In line with that objective, it set targets of offering its customers smartphone repairs within a best-in-class timeframe of four hours, and despatching all orders within 24 hours.

The consumer electronics market in North India is growing, and the company therefore required a strategically-located warehouse, from which it could deal with e-commerce orders and also benefit from technical testing capability. The facility needed to ensure that all returned items received from the Authorized Service Centres were segregated by vendor and their performance assessed.

Since the Chinese consumer electronics manufacturer had diversified into other electronic items such as TVs and air purifiers, it also required a separate distribution centre in order to cater for these products.

CHALLENGE:

- Reduce serviceability time
- Improve after sales service timeframes
- Provide testing capability

DHL SUPPLY CHAIN SOLUTION:

- Strategically-located warehouse
- Best-in-class safety and security
- Standardized, simplified approach

BENEFITS:

- World-class services
- 100 % of orders within India despatched in 24 hours
- Functional testing capability



DHL SUPPLY CHAIN SOLUTION

DHL Supply Chain was chosen by the Chinese consumer electronics manufacturer as its partner due to its excellent reach and penetration across Indian states, and its extensive network, expertise and experience of delivering technology logistics solutions on time, with high levels of precision and accuracy.

To meet the company's requirements for its distribution center which would be handling easily damaged, high-value items, a 65,000 sq ft space in Bangalore and 72,000 sq ft equivalent in Gurgaon were equipped with best-in-class safety and security features. Electrostatic discharge (ESD) flooring was fitted to avoid damage to sensitive equipment, together with a network of over 120 surveillance cameras.

Two-step checkpoints were introduced to ensure that parts and items were not incorrectly dispatched, and a 'single pallet, single SKU' method introduced in order to achieve better inventory management.

Regular, intensive training took place so that employees were given the skills to be able to perform technical quality checks. Employees were given defined roles and responsibilities and trained in basic standard operating procedures so that the operation was standardized across different functions.

This approach, with simplification and standardization the focus, was instrumental in making the operation flexible and agile enough to adjust to fluctuations in volume. For example, with employees trained in a standardized way across functions, it was possible to switch from a six days per week work pattern to a 24/7 operation.

BENEFITS

The Chinese consumer electronics manufacturer is now able to deliver world class services to the Indian market, in its levels of serviceability and the 24/7 availability of its facility.

Since January 2018, throughput volume has doubled, without any adverse impact on KPIs and the current throughput is 2 million units per month between Bangalore and Gurgaon.

Levels of inventory also more than doubled between January 2018 and January 2019, to 6.7 million units.

Despite such volumes, DHL Supply Chain has been able to meet the company's customer's target of 100% of orders across India being despatched within 24 hours, while intra-state deliveries are being achieved in less than 12 hours.

Rather than functioning only as a warehouse, the facility has the capability to perform functional testing of all import shipments received, as well as the returned items it receives.

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