



DHL identifies four ways for companies to bolster supply chain resilience in latest Trend Report “Supply Chain Diversification”

- The report introduces a novel framework, exploring four dimensions to adapt supply chains for more flexibility, resilience, and sustainability: multi-shoring, manufacturing and supplier network, mode of transportation, and logistics operations
- Comprehensive definition of supply chain diversification is developed: a proactive approach redefining industry standards
- The report offers companies to analyze current dynamics and patterns observed, and evaluate their supply chain strategy accordingly

Bonn, June 13, 2024 – Amidst the recent developments such as geopolitical crises, the attention is increasingly turning to supply chain diversification. Yet, until now, there has been no clear definition and comprehensive framework for this approach. Rising to the challenge, DHL and leading academics have presented a new definition and a versatile model to explain this important and holistic concept in the latest DHL Trend Report, “Supply Chain Diversification”. Supply chain diversification is defined here as a proactive approach where companies incorporate one or several dimensions into their supply chains to minimize risk. This includes multi-shored supply networks, multi-sourcing, parallel modes of transportation, and concurrent or redundant logistics operations. The report also provides tangible customer case examples, enabling companies to assess their diversification level and devise a suitable strategy.

“The events of the last years have shown us the importance of resilient supply chains and companies adapting their global supply networks accordingly,” says Katja Busch, Chief Commercial Officer and Head of DHL Customer Solutions & Innovation. “At DHL we are committed to supporting our customers in staying resilient in a sustainable way by providing tailored solutions, sharing best practices, and facilitating collaborative initiatives.”

“This latest DHL Trend Report underscores our aim to be at the forefront of supply chain trends to empower our customers but also businesses across industries,” adds Klaus Dohrmann, Vice President and Head of Innovation and Trend Research at DHL Customer Solutions & Innovation. “We equip companies with the latest research, our industry expertise, tools and logistics solutions needed to bolster resilience, drive agility, improve sustainability, and thus grow their competitive advantage.”

Illustrative model of the dimensions of supply chain diversification

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In the novel model developed by DHL in collaboration with Emeritus Professor Richard Wilding OBE, one of the world's leading experts in Logistics and Supply Chain Management, four dimensions of supply chain diversification are illustrated:

Dimension 1 – Multi Shoring: This involves spreading manufacturing and supplier locations across different regions or countries to mitigate risks. It includes duplicating manufacturing capabilities and using the same supplier in different locations.

Dimension 2 – Manufacturing & Supplier Network: Expanding the network to include redundant suppliers and manufacturing capacities to address financial and operational risks.

Dimension 3 – Mode of transportation: Utilizing multiple transportation modes simultaneously, covering all stages of transport, including first mile, long haul, and last mile, to diversify routes and reduce risk.

Dimension 4 – Logistics Operations: Expanding logistics infrastructure to include additional functions like hubs, warehouses, and distribution centers. This may involve adding redundant capacity nearby and outsourcing certain logistics activities for diversification.

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To download the DHL Trend Report “Supply Chain Diversification”, please visit: dhl.com/supply-chain-diversification

You can find the press release for download as well as further information on group.dhl.com/press-releases

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