

Ericsson

Customer case

At Ericsson Distribution Logistics cost reduction goes hand in hand with environmental awareness

It is not just the ability of Ericsson Distribution Logistics to reach every corner of the globe that impresses; the enormous volumes transported command equal respect. In 2007 alone, around 108 000 goods deliveries were made. A gigantic logistics apparatus like this needs to have a logistics solution in place that supplies them with tools to control and develop it as new challenges arise. Ericsson Distribution Logistics has this in the form of UnitedLog's DCIX.

So far, we have never failed to deliver our equipment to the correct destination. Wherever the location is in the world, we have the tool that ensures that our network of distributors delivers, says Carl Westman, in charge of Processes, Methods and Tools at Ericsson Distribution Logistics.

Challenge and control

It is not just the ability of Ericsson Distribution Logistics to reach every corner of the globe that impresses; the enormous volumes transported command equal respect. In 2007 alone, around 108 000 goods deliveries were made and the costs for transportation, warehousing etc. amount to approximately SEK 6 billion annually. At present Ericsson is the largest buyer of airfreight in Sweden and one of the biggest in Europe. A gigantic logistics apparatus like this obviously entails a number of challenges, and dealing with these requires having control.

Control of the distributors, the transportation methods and of the costs, these are just some of the areas necessary. Furthermore the goods need to be delivered quickly; the customers have little patience when waiting to put the goods into operation.

Joint project

At the beginning of the millennium, Ericsson took a strategic decision to outsource the physical part of distribution thereby placing great responsibility for the actual transportation on their third party logistics providers, Distribution Service Providers (DSP). At the same time, Ericsson chose to retain the strategic management of distribution centrally in Kista, Stockholm. To gain the control required over the enormous amounts of data generated by the logistics operations, a solution was needed that not only had the capability of following up routes, invoices and costs but one that could also analyze if the costs were reasonable. Ericsson chose UnitedLog's logistics management system DCIX with functions for Reports & Analysis Services; a solution that has been in operation since 2002.

A joint project was promptly initiated to develop a sophisticated system to control information quality that would fulfill Ericsson's requirements.

This is extremely business critical for us as decisions based on inaccurate information will likely lead to devastating consequences for us. The solution that UnitedLog helped us to develop is equipped with a number of predetermined quality controls to filter out inaccuracies and ensure that we can feel secure, says Carl Westman.

