

# Dell logistic strategy essay sample



**ASSIGN  
BUSTER**

DELL LOGISTICS NETWORK Dell's new and improved design for a channel distribution model: Order processing Pre-production Accessories ready Configuration Test Boxing Distribution preparations Shipping (transportation)

TRANSPORTATION SYSTEM DESIGN:

TRANSPORTATION SYSTEM DESIGN Optimize inbound and outbound transportation networks Collaborate with the best logistics and transportation providers Mode of transportation - By Ship By Rail By Air "GREEN" INITIATIVES

Transport Network Options :

Transport Network Options DIRECT SHIPMENT NETWORK CUSTOMER CUSTOMER CUSTOMER DELL ASSEMBLEPLANT DELL ASSEMBLEPLANT DELL ASSEMBLEPLANT DELL ASSEMBLEPLANT DELL WEB PRODUCT FLOW INFORMATION FLOW

MIS FOR COMPANY :

MIS FOR COMPANY Dell chose i2 Technologies for its SCM system. Every 20 sec the S/W aggregates orders, analyzes material requirements , compares Dell's on-hand inventory with its suppliers' inventory and then creates a supplier bill of material to meet its order needs .

STORAGE:

STORAGE Dell has competitive advantage of lowest in the Industry cost structure, and this cost Structure due in part to DELL raw materials management strategy. e-VMI(Vendor management inventory) and JIT combination of management techniques increasingly zero inventory. Dell receives the exact material every two hours to fulfill actual customer orders.

Dell's factories have only 7 hrs worth of inventory . the original parts are directly sent to the assembly line, and through " Kanban management" technology in the supply chain on various aspects of the distribution

#### DISTRIBUTION :

Dell has six production unit : Austin, Texas, USA Nashville, Tennessee, USA Eldorado do Sul , Brazil Penang, Malaysia Xiamen, China Limerick, Ireland Chennai . India They carry large quantities of different products, to increase their leverage when dealing with their customers. 90% supplies ordered online using integrated websites of supplier and Dell (B2B). DISTRIBUTION

Benefits to company by such distribution :

Benefits to company by such distribution CASH: Dell maintains a negative cash conversion cycle means the payment receive for product before it has to pay for material. COST: Dell's direct sales and build-to-order model has achieved superior performance in the PC industry in terms of inventory turnover, reduced overhead, cash conversion, and return on investment

Bypassing the reseller channel that causes further cost reduction to company. CRM: Direct customer relationship is the key to Dell's business model . DEMAND FORECAST : Dell additional advantages is try to forecast demand and ship products based on those forecasts.

Benefits to customer by such distribution :

Benefits to customer by such distribution Tailored offerings from Dell in terms of add-on products and services. Very customizable systems at an affordable rate, since Dell manufacturing builds specifically for each customer

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