MEETING FUTURE TRANSPORT CHALLENGES TODAY
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Success in the modern commercial environment increasingly depends on the performance of the supply chain that underpins a company’s business activity.

The growing need for speed, accuracy and visibility, along with efficiency and cost control, presents a number of key challenges to all supply chain and logistics directors.

DHL, the world’s largest contract logistics business, plays a leading role in meeting these challenges by providing high-quality, cost-efficient transport solutions across every sector in the UK and Ireland. Our customers’ main issues and our responses to them are summarised here under four themes.

Transforming efficiency and utilisation
A variety of factors including fuel prices, road congestion and changes in consumer requirements coincide to increase our customers’ costs. These costs need to be reduced and controlled, with particular attention to levels of fuel consumption and vehicle utilisation. DHL’s flexible transport solutions help to differentiate customers’ businesses on efficiency as well as service. Tailored to specific customer needs, and focused on managing costs and performance, they benefit from our up-to-date methodologies and equipment, our industry-leading expertise, our collaborative approach and the sheer scale of our operations and resources. In partnership with DHL, customers achieve levels of efficiency and utilisation that would not be possible on their own.

Becoming safer, cleaner and quieter
Today’s customers and consumers expect high standards of corporate conduct. As business activities come under ever greater scrutiny, those who fail to show due regard for safety, regulatory compliance, pollution and noise issues put their credibility and public image at risk. Our transport solutions maintain industry-leading standards of performance in all of these areas, which are so critical to the reputation of our customers and of DHL itself. The GO GREEN programme has set a great example, having already reduced DHL’s carbon footprint by 18% in six years – with a plan for 30% reduction by 2020. This has been achieved by implementing DHL
standards in vehicle design, utilisation and driver behaviour. We are also working directly with OEMs to develop cleaner, quieter, more fuel-efficient vehicles, and we have been quick to adopt advances in hybrid, electric and other energy-saving technologies.

**Embracing technology for customer service**

Advances in technology are creating new and exciting possibilities for optimising visibility, improving tracking accuracy and enhancing the customer experience across all supply chains. What happens in the last mile, in particular, is becoming more critical to customer satisfaction and to sustaining business. There are increasing demands for faster processing – at all times of the day and night – and for more convenient delivery times. DHL’s pioneering attitude and continuing investment in technological progress is reflected in the state-of-the-art customer service and transport management systems we deploy to meet all of these needs.

**Building exciting partnerships and futures**

If a business is to develop, and to maintain a competitive edge, any partner must be carefully chosen for its ability to add value and innovative solutions. Outsourcing of services can be a risky move unless the partner’s team can be counted upon to maintain standards and uphold the brand integrity. To address this, DHL builds highly motivated teams and makes the transport sector an exciting place to work. Talent is nurtured and career potential is fulfilled through the industry’s top training programmes for drivers and other employees. Our culture of continuous and incentivised improvement is supported by our award-winning Customer4Life programme, which focuses on understanding and improving the customer experience.

These are the challenges that customers must address to ensure that their transport arrangements are fit for the future. In the following sections we will describe a range of transport services designed to increase efficiency, generate profits for investment and deliver better customer care.
STRATEGIC TRANSPORT PRODUCTS

DHL’s transport products can be divided into three strategic categories.

The summary below will help identify which is best suited to your circumstances and needs.

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<td>DHL’s Dedicated Services provide exclusive specialist support, through a management team and package of assets assembled specifically to meet your particular needs.</td>
<td>Our Industry Platforms increase efficiency through collaboration, with management and resources shared between companies with similar needs from a number of interconnected locations.</td>
<td>Management Services offer selective outsourcing, to provide help where and when you most need it, allowing you to tap into the benefits of DHL’s best practice.</td>
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Ideal for you when:
- Your business is specialised and requires exclusive use of facilities and undivided attention from transport managers
- Your operation is large enough to allow high levels of utilisation without sharing vehicles
- You wish to focus your time and capital investment on your own specialist core business and outsource transport to a logistics specialist
- You need to retain full control of a route to market which gives you a competitive advantage

Ideal for you when:
- You need to improve your customer service offer and frequency of delivery without a subsequent increase in transport costs
- You are concerned by the escalating expense of transport, including high fixed costs, and would like more flexibility in your cost base
- You would like to share transport resources to improve economy and efficiency

Ideal for you when:
- You would like help in managing some aspects of your transport operations, and to benefit from industry best practice, but do not wish to outsource entirely
- You need to improve the management of your assets, subcontracting, compliance and risk, and are looking to reduce your fixed costs and overheads
- You need support for your business during periods of peak demand

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OUR SECTOR SOLUTIONS

Because every industry has its own particular characteristics and supply chain needs, DHL adopts a sector-based approach that is optimised to match with each one’s distinctive requirements.

Our unrivalled expertise in these sectors gives us a firm understanding of each competitive market and its trends, and by listening carefully to the customer we gain an even clearer insight into the key challenges.

Working closely with customers, we develop flexible, efficient solutions that anticipate their changing transport needs and allow them to cope with such issues as short product lifecycles, increasing customer demands, new sales channels and expanding global distribution. Based on our Industry Platform and Dedicated Services products, these state-of-the-art solutions benefit from sector-specific specialist knowledge but also draw on best practice across the sectors and subsectors to drive further benefits.
AUTOMOTIVE

Drawing on our expertise and global experience in the automotive sector, we have developed solutions serving every aspect of its supply chain and meeting the need for resilience and flexibility to cope with fluctuating demands in the manufacture and ongoing aftercare of all kinds of motorised vehicles. In each case the services are multi-customer and collaborative, using our end-to-end knowledge to improve efficiency and reduce costs for all stakeholders.

The three key INDUSTRY PLATFORMS are:

Inbound to Manufacturing (I2M)
DHL’s I2M service collects and consolidates goods from multiple-tier suppliers, delivering full truckloads in the correct sequence to meet customers’ time-definite requirements. As well as optimising trailer utilisation and economy, I2M reassures customers of availability according to their specified schedules. This service works across multiple manufacturers and their suppliers and allows reliable and cost-effective compliance with manufacturing schedules. European collection and consolidation is combined with our network of UK cross docks, sequencing platforms, equipment management services and the largest transport operation the UK automotive sector to provide full end-to-end services.

Auto Aftermarket
Speedy and reliable rapid parts delivery is essential if Original Equipment Manufacturers (OEMs) are to compete successfully in the key area of service. Combining deliveries of parts from different OEMs not only reduces costs, with a typical saving of 10-15%, but strengthens the delivery network. Delivering through the night, and making parts available to technicians before 7.00 am, boosts productivity and customer satisfaction.

Tyres
Economical supply of car and truck tyres using a customer’s dedicated transport fleet is extremely difficult. DHL’s platform works for several of the leading manufacturers and offers ‘pay-as-you-go’ economy as well as sharing – and hence reduction – of all costs. DHL also controls the warehousing, which adds great flexibility in meeting customer demand. Next-day delivery to wholesalers, distributors and e-commerce delivery and retail stores is typical, with same-day service in some cases.

Scania saves money and improves service by sharing

Scania, a major supplier of heavy trucks and other large vehicles, uses DHL’s Auto Aftermarket service to transport its own parts to more than 100 service centres across mainland Britain and Northern Ireland. Full visibility of parts is ensured via a sophisticated ‘track and trace’ IT system. Sharing deliveries with other OEMs has reduced costs and environmental impact, as well as improving service. For example, nightly delivery points have been increased to 500, with more than 2,000 roll cages transported.
CONSUMER

In the hugely competitive and cost-conscious consumer sector, our transport services – based on the Industry Platform approach – allow costs to be shared and efficiency to be generated whilst maximising the opportunity for collaboration across customer operations.

The key INDUSTRY PLATFORMS are:

**Ambient One Network**
The Ambient One Network provides a national service for palletised ambient goods with a focus on full loads and deliveries above six pallets. Whilst largely operating on behalf of consumer goods manufacturers, the network also supports other sectors such as technology whose products are complementary. The integrated network supporting all of DHL’s transport sites operates from 28 locations across the UK and Ireland, offering the largest and best utilised ambient fleet in the sector, and working in concert to increase efficiency, reduce carbon emissions and improve safety while maintaining the highest standards of customer care. Performance measurements have shown a 16% increase in fuel economy over three years and an overall 20% reduction in carbon footprint. A collision rate of just 2.31 per million kilometres makes the Ambient One Network one of the safest and most reliable transport operations in the UK.

**Pallet+**
Pallet+ allows cost-effective distribution of small palletised consignments – typically between one and six pallet loads. Supporting all sectors, but with a focus upon manufacturers in the consumer market, the service operates from eight strategically placed regional centres and works with state-of-the-art planning systems and smartphone technology to optimise the value and service experienced by customers. KPI measurements for successful delivery exceed 98.5%.

**High Security**
This shared-use operation delivers high-value products in the technology, fashion and consumer sectors. Typically involving small consignments, of three pallets or fewer, it delivers to high-street, small warehouse and specialist retail locations across England, Scotland and Wales. The service features security-tracked vehicles, fitted with security and safety devices, and operated by specially trained drivers, and it is supported by a network of regional cross-dock locations.
**Tradeteam**

Tradeteam is DHL’s specialist drinks distribution arm, delivering direct to more than 25,000 on-trade outlets each week through its own nationwide network. With 1,800 staff and 450 vehicles, it services 20,000 hotel, restaurant, pub and club locations and achieves a picking accuracy of 99.88% on more than 45 million items. Originally established as a joint venture, over 20 years ago, this Industry Platform is one of the most enduring in the UK logistics industry.

**Bulk Tankers**

Modern manufacturing increasingly requires just-in-time delivery of ingredients, with the highest standards of food security, hygiene and traceability. For both liquids and powders, DHL operates a national service that supports many of the country’s best-known brands.

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**Cost-effective solution meets growing customer demand for wine**

One of the UK’s leading wine and spirit distributors chose DHL’s drinks-focused service, Tradeteam, to provide a scalable solution that would meet the increasing demand generated by its rapid growth. With its best-in-class IT system, quality-oriented training and non-stop innovation, Tradeteam has maximised the value of the distributor’s logistics investment and delivered faster, more consistent customer service. Building partnerships with customers, to help them sell more wine, more profitably, has been a key aim for this company. A partnership approach is also essential to Tradeteam, which has become more like an extension to the customer’s business than simply a service provider.
ENERGY AND CHEMICALS

Our transport services support sectors such as fuels and road building which are so essential to the functioning of national society that their reliability and safety can never be compromised. With over 75 years’ experience in designing and delivering transport solutions, we have developed all of the capabilities required to be successful in this demanding and critical role.

Our **DEDICATED SERVICE** is:

**Bulk Tankers**

Fuels and speciality chemicals, including bitumen, are distributed safely and efficiently through a dedicated bulk transport service. DHL’s substantial experience and deep understanding in the area of High Consequence Dangerous Goods (HCDG), along with its familiarity with the specialist equipment required, is of great advantage to customers. In total we operate more than 300 tankers across the UK and Ireland, including airside fuels and forecourt replenishment.

DHL provides industry-leading industrial relations expertise in the energy sector, which minimises the risk of disruption to the customer’s business, and our health and safety record is also second to none. The end-to-end capability we offer includes scheduling, network planning and continuous improvement throughout the supply chain. Our inventory control system, Electronic Petroleum Inventory Control System (EPICS), which leads the market when it comes to proactively managing forecourt replenishment, is just one example of the technology available to support our services.

**Shell depends on DHL for safe and flexible distribution of bitumen**

DHL’s Bulk Tankers service provision to Shell includes a flexible fleet of 60 to 75 vehicles, with up to 85 drivers, four supervisors, a contract manager and QHSE support, for distribution of bitumen throughout the UK. Its comprehensive transport solution for this important and potentially hazardous material benefits from a single integrated logistics team and covers everything from order capture and planning to driver training and emergency response support. In addition to ensuring excellent service, DHL’s resources, expertise and innovations have substantially reduced fixed resource inflexibility, delivery failures and accidents.
ENGINEERING AND MANUFACTURING

The engineering and manufacturing sector generates a requirement for a diverse range of transport services meeting the different needs of supply chains for make-to-order, make-to-stock and make-for-installation operations. Because many of these supply chains are also multinational, our engineering and manufacturing transport solutions offer integration with our range of international transport services.

The DEDICATED SERVICES provided by DHL in this sector include:

Construction Logistics
We support the supply of materials for construction projects through a range of national services, offering a direct route to market for manufacturers and tailored to ensure maximum productivity of receiving locations and personnel. They include delivery of finished products, as well as collection, removal and recycling of waste. These flexible solutions draw on our own resources and those of our construction haulier partners to give the best possible service.

We are at the forefront of safety improvement in construction transport and have a range of urban-friendly solutions available to customers. DHL is an active participant in CLOCS (Construction Logistics and Cyclist Safety) and is working with vehicle suppliers to create step changes in vehicle standards.

Our Major Projects teams work with constructors to design the ideal transport solution for each project and to implement it once work begins. The use of transport control towers to organise and oversee project delivery ensures that the highest standards are maintained and the building programme is achieved.

Field Engineer Services
Fast, efficient response to customer demand requires the ability to provide field engineers with all the materials they need, in a format and location designed to maximise their productivity. Our services give engineers and installation teams this backing across a broad range of manufacturing and utilities customers. Service features include delivery to van, local collection outbase, locker or site, along with collection, removal and recycling of waste materials. Our recovery service in relation to materials of inherent value includes reverse logistics solutions for the return of items such as utility meters.

Our INDUSTRY PLATFORM is:

Inbound to Manufacturing
Building on our success with I2M in the automotive sector, we supply inbound collection, sequencing and final delivery services to engineering and manufacturing companies to ensure control, visibility and certainty for their programmes.

Network Rail road freight consolidation saves money, miles and emissions
Network Rail called upon DHL’s services to consolidate and control its road freight movements. These involve heavy infrastructure materials, like rails, sleepers, ballast and crossings, and lighter items such as maintenance spares. Supplied through its Road Haulage Planning Centre, DHL’s solution saved £2.9 million in the first year alone. Network Rail’s National Supply Chain Director said: “This contract has helped us generate efficiencies in the way we manage our road haulage activities, helping us to reduce costs and hit our sustainability targets.”
LIFE SCIENCES

To meet the particular needs of life sciences and healthcare customers, we have designed transport solutions offering the highest standards of regulatory compliance, patient and product safety, visibility of customer service and accuracy of delivery time. In addition, each is fully integrated with our UK network of regulatory-compliant warehousing and with the DHL international network of life sciences services.

We offer a broad range of DEDICATED SERVICES:

Hospital Distribution
The UK’s largest hospital delivery operation, servicing locations from a strategic network of eight distribution centres serving Scotland, England and Wales. It ensures daily supplies to hospitals, wards and theatres.

Patient Transport
Our service manages the process of arranging and providing non-emergency transport for patients being discharged from hospital or attending a hospital or clinic appointment. From assessing patients’ suitability to collecting and returning them safely and securely to their home, our service operates according to stringent CQC standards and vehicle and driver specialism.

Emergency Response
We provide the necessary logistics support to deploy vaccines in cases of national or regional emergency. Our transport capability supports this process with a combination of the UK’s largest contract logistics fleet and driver resources, and an extensive range of subcontract partners, allowing an immediate response.

Home Delivery
Our direct delivery of medical devices and pharmaceutical products to people in their own homes enables a safe and secure service for patients, clinicians and product manufacturers alike. Our specially tailored services can enable a range of in-home tasks, including data collection, stock rotation and expiry checks.

UK and European Transportation
DHL’s UK-based control tower oversees the transportation of life science and healthcare products from multiple production and importation points to customers across Europe and manages all aspects of transportation, documentation and customs management.

In addition, we have developed an INDUSTRY PLATFORM that responds to the requirement of many customers for compliance with industry standards:

GDP-compliant Transportation
With full regulatory compliance and temperature assurance at chill and controlled ambient levels, this service offers national tracked delivery to hospitals, clinics and home. Our large vehicle fleet is now complemented by a new regional van fleet that ensures full compliance irrespective of drop size or location, and a one-stop shop for our customers.

Home healthcare delivery for NHS meets practical and compliance challenges

Through its Home Delivery service, DHL manages the transport of a complex range of medical devices and consumables directly to patients’ homes on behalf of the NHS. More than 2,000 parcels are shipped daily, via the National Distribution Centre and six DHL cross-dock facilities, to addresses across the UK mainland and islands. Additional challenges met include large seasonal variations in volume and mix, rapid inclusion of new patients and administration of expiry checks, stock rotation and other over-the-threshold services. Patient information and script coverage is handled by a dedicated patient co-ordination team and system. There are also linked systems from transport planning and delivery to inventory through warehouse management. DHL’s flexible, scalable solution reduces network operating costs, incorporates a programme of continuous improvement and complies with the relevant regulations and good practice.
Our range of DEDICATED SERVICES covers:

**Regional Distribution**
This high-quality 24/7 transport service to retailers’ stores in focused regions of the UK or Ireland is often connected to DHL-operated warehouses but is also available on a stand-alone basis. It operates across the ambient, chilled, frozen and composite temperature ranges.

**National Distribution**
Where the optimum solution is to consolidate inventory in a single location, we provide our National Distribution service. It uses a combination of dedicated assets that work very efficiently in a local area, supported by resources based at our network of Regional Operating Centres in Scotland, Ireland, South West England and South East England. This blend of wholly and partially dedicated resources offers a cost-effective solution, controlled by a single customer-focused team, and is available for all temperature ranges.

**Home Delivery**
The growth in e-commerce has seen a substantial rise in home deliveries of all goods. For large items we operate a two-man service that delivers across the threshold into customers’ homes through our UK-wide network of 26 sites.

**New IT enhances Iceland’s delivery operation**
As part of its Regional Distribution service to Iceland, DHL created a Driver Information Terminal (DIT) to give easy access to up-to-date details of store unloading areas and their difficulties. Previous paper-based ‘route books’ were expensive, easy to lose and hard to update. The touchscreen system also offers risk assessments and e-learning opportunities. Iceland’s Supply Chain Director says: “I am convinced that the Driver Information Terminal has made a major contribution to reducing accidents en route and whilst manoeuvring at stores.”
**Inbound Collection**
The Inbound Collection service collects products from suppliers to be stored or cross-docked prior to onward delivery to stores or consumers. Often integrated with Regional and National Distribution, it is available for all temperature ranges in the UK and Ireland and for ambient products in Northern Europe.

**High Frequency Delivery**
The growth in e-commerce and especially ‘click and collect’ is driving a need for greater delivery frequency for all retailers. Their need can be met by reshaping dedicated operations to supply a daily service and accessing DHL’s network of Regional Operating Centres to deliver a high-quality, cost-efficient solution in higher cost-to-serve areas of the UK and Ireland.

Changes in retail routes to market have created opportunities for increased collaboration and sharing of costs. We provide the following **INDUSTRY PLATFORM** services to the retail supply chain:

**Temperature Controlled**
DHL has the UK’s largest temperature-controlled fleet, which is deployed across the supply chain to service both manufacturers and retailers of chilled and frozen food. Throughout the UK, and into Ireland and Northern Europe, the service covers any and all requirements, from field to factory, to cold store, to retail distribution centre and retail stores.

DHL’s differentiator in this marketplace is its larger fleet size and its ability to call upon that resource in a flexible manner. For retail customers, we are able to integrate inbound and outbound activity from Regional Distribution Centres (RDCs) and National Distribution Centres (NDGs) and to offer a competitive, closed-book alternative to a dedicated approach.

**Collaborative Services**
Our Collaborative Services create value by using shared resources to reduce operating costs, increase flexibility and achieve logistics outcomes that customers cannot easily deliver on their own. These solutions have been used to enhance the end customer delivery proposition in addition to improving efficiency. We have established Collaborative Services in inbound, outbound and last mile transportation and across all temperature ranges.

**Delivering the daily bread and more for BP**
In a dedicated operation based at the National Distribution Centre in Lutterworth, DHL delivers to 370 BP-owned convenience stores. The service covers ambient and chilled, with the option of frozen, and involves 1,400 products including bread, sandwiches and milk as well as high-value lines. Around 19 million cases are delivered each year. On-site value-added services include customer care support, purchasing and inventory planning.
SPECIALIST SERVICES

Our specialist services business offers niche services to customers who have highly specific requirements, often requiring innovative and unique logistics solutions that transform an industry’s existing model.

The DEDICATED SERVICES available include:

**Passenger Gateways**
The commissioning of T5 at Heathrow in 2010 was accompanied by a new in-flight food service, operated on behalf of British Airways by DHL. To support this ground-breaking service, DHL created a redesign of the transport solution traditionally deployed at airports. The new vehicles feature a host of innovative environmental, safety and security features, and have the flexibility to service multiple aircraft types while providing the safest, cleanest and quietest service in the UK.

**Public Sector**
DHL has developed supply chain solutions for servicing public sector customers including government buildings, the Houses of Parliament, prisons and regulated industries. Each solution is tailored to the requirements of the customer and combines dedicated transport with our network of sites.

DHL is also working with the public sector to create a new **INDUSTRY PLATFORM**, which will also benefit the private sector:

**Urban Consolidation**
This service allows organisations to cut their carbon footprint drastically by reducing the number of deliveries they receive at their offices and other facilities. Our approach involves consolidating inbound products from multiple suppliers, across a range of categories, into the smallest number of delivery visits possible. Our London consolidation operations service 400 public sector offices and have reduced deliveries by 62%.

We have extensive experience of operating consolidation in the private sector, especially in the retail and construction sectors. Our transport services cover both deliveries from the consolidation centre and collections from suppliers. In addition, our procurement teams are always on hand to assist consolidation customers in amending their supplier agreements.

**Effective logistics to help deliver a great passenger experience at Gatwick**
Helping Gatwick Airport Limited in its aim to deliver a great passenger experience, DHL has set up a consolidation centre which will manage inbound deliveries. Using DHL’s in-house IT system, the operation provides highly secure and effective logistics while reducing congestion at airport control posts and cutting carbon emissions. Simon Duggan, Senior Logistics Manager, Gatwick Airport, said: “Providing our partners and retailers with an efficient and secure platform supported by a solution that gives full visibility and tracking of their products is essential; it’s what DHL is known for, making them our ideal partner.”
TECHNOLOGY

The technology sector’s diverse route to market and global manufacturing ethos creates a demand for wide-ranging transport solutions that service its supply chain from end to end and respond to rapidly changing product fashions.

Our DEDICATED SERVICES are:

Outbound Transportation
DHL’s approach to technology distribution is to meet all customer requirements through a combination of Industry Platforms. This gives the benefit of flexibility to deal with variations in activity and scale, allowing costs and activity to be matched across all routes to market. Effective planning of our technology solution is made possible through the use of a dedicated control tower, which co-ordinates the appropriate Industry Platforms to deliver all requirements of the transport operation.

Technical Courier
Our installation, repair and recycle service is underpinned by courier partners who provide transportation and technical skills to our technology customers across the UK. Managed and monitored by our Order Management Centre, the service includes deployment, installation, repair and recycling, and is typically used for a variety of needs including simple installation, testing, complex on-site repairs, focused product roll-outs and comprehensive event management programmes. DHL’s experience of providing logistics solutions for PCs, office equipment, telecommunications, home entertainment and Electronic Point of Sale (EPOS) technologies guarantees customers a service that is second to none.

Combined services meet diverse technology aftermarket needs
Transport is a key element within the strong and wide-ranging DHL support available to meet the aftermarket supply chain needs of technology companies. Solutions include Service Parts Logistics, making use of DHL’s global network of warehouses and control towers in managing the ordering, storage and delivery to field staff of critical spare parts with short lead times. Logistics activities associated with the recovery of defective products are integrated with repair work in DHL’s Aftermarket Technical Services, while Recall Solutions provides for large-scale recall of defective or inadequate items. Design and management of waste recycling solutions, and integration with existing logistics flows, is handled by DHL Envirosolutions.
DHL Management Services reduce the burden of managing transport by handling selected aspects on the customer’s behalf.

This not only gives customers access to industry-leading solutions and support for their transport operations but allows them to gain the benefits of DHL’s best practice in the chosen areas without outsourcing totally.

Our Management Services are delivered via the Subcontractor Management Centre of Excellence or the Asset Management Centre of Excellence, depending on the customer’s wishes and needs.
SUBCONTRACTOR MANAGEMENT

The DHL Subcontractor Management Centre of Excellence offers a range of services that design, procure and control third-party transport providers across all modes and sectors. As the biggest buyer of transport services from subcontractors in the UK and Ireland, DHL is better placed than anyone else to find the most suitable suppliers and manage that provision on the customers’ behalf.

The following examples will help to demonstrate what our Subcontractor Management services have to offer:

**Outsourced Transport Services**
At times of peak demand, or when goods are required at short notice, customers can have difficulty in finding suppliers who will meet their extra transport needs and provide the right levels of service – especially in the case of relatively low volumes. Dealing with a variety of transport suppliers in these circumstances is both frustrating and expensive. By contrast, DHL’s Outsourced Transport Services use spare capacity in our own large fleet, combined with use of selected subcontractors who we have chosen as preferred partners, to ensure optimum customer care and value. As a very large buyer of subcontracted transport, we have the necessary leverage to secure the best possible price and quality for our customers.

**Procurement and Carrier Management**
DHL’s knowledge and scale of involvement in the subcontract haulage market is used to benefit customers using our Procurement and Carrier Management service. Our relationships with third party hauliers, our design of tailored subcontract strategies and our continuing management of the complete solution ensures consistent standards and excellent value.

**Transport Collaboration**
This service works right across DHL’s Supply Chain business to seek ways of saving money by matching available capacity with customer demand. By doing so it maximises vehicle utilisation, reduces external spend, increases visibility, avoids the cost of duplication and improves service levels.

**Irish Control Tower**
Our Irish Control Tower is a service that greatly reduces the complication and expense involved in transporting goods across the Irish Sea. A dedicated team handles everything from delivery, storage and staging to responsive delivery and collection management, bringing DHL’s standards of service and reliability to a broad range of sectors operating between the UK and Ireland, the Isle of Man, the Isle of Wight and the Channel Islands.
ASSET MANAGEMENT

For customers preferring to have a fleet of their own, DHL’s Asset Management Centre of Excellence will design, specify and procure all assets needed, and be responsible for maintenance, legal compliance and disposal of all vehicle types, as well as materials handling equipment and media.

Examples of our Asset Management services are:

**Strategic Vehicle Solutions**
This service provides leading-edge, highly specified equipment, offering the best standards of fuel efficiency and safety, with reduced whole-life costs. DHL manages the whole fleet lifecycle, from sourcing, through maintenance, to disposal. Multiple ownership and commercial options create flexibility to meet customers’ specific and changing needs.

**Centralised Maintenance**
Centralised Maintenance provides a co-ordinated approach that optimises fleet availability, operating costs and compliance. Expert knowledge, industry-leading breakdown response times and trend analysis are all part of the fixed-price or pay-as-you-go package. An efficient cost and invoicing process allows proactive management of labour rates, time and other resources.

**Central Rental Desk**
In addition to simplifying administration for the customer with full visibility, reporting and a single weekly invoice that covers end-to-end management and all related expenses, this service reduces costs and provides a better level of equipment. Customers benefit from DHL’s purchasing power, supplier relationships and access to higher-quality assets. Flexible terms and a pay-as-you-go model allow rapid adaptation to peak demands and other changing needs.

**Trailer Advertising**
At least 50% more cost-effective than static billboards, and with much greater impact, trailer advertisements can be used – with DHL’s help and extended coverage – to generate added value from vehicles. Our service combines co-ordination of professional advertising with management of vehicle availability and operations in one seamless package.
WHY CHOOSE DHL?

Businesses choose us not just for our track record, products and resources but for the way we work – especially in terms of ensuring safety, driving efficiency, focusing on customer needs and nurturing the skills and enthusiasm of those employed in the transport industry.

SAFETY

DHL Supply Chain UK travelled nearly 750 million kilometres in 2013, so it is no surprise that we take the issue of road safety extremely seriously. We believe every road user has an equal right to move around as safely as possible. Here we give an overview of what we are doing to help make our roads safe for all.

Our approach to improving road safety involves three key elements: driver training; vehicle and equipment improvement; and community engagement.

Driver training
As a business that is so heavily involved in road vehicle movements, the safety of other road users and our drivers is our main priority. Our aim is to make incidents as infrequent as possible and to become a zero accident company. We have invested millions of pounds in driver training schemes and technology to ensure we are doing everything we can to meet that goal.

We do not settle for basic minimum qualifications. We believe that continuous training is vital. In addition to
the 35 hours of approved training every five years, we also train our drivers in Smith System Defensive Driving. This world-leading programme has a proven five-step approach to considerate and safe road use.

We have a mandatory Driver CPC course called ‘Sharing the Road’. This module has been designed by our Training Solutions team and is specifically aimed at raising awareness of vulnerable road users.

**Vehicle and equipment improvement**
Collaboration with manufacturers, rental providers and our world-class Asset Management team has enabled DHL to offer the safest standard vehicle specification in the market. In addition, we offer a choice of vehicle specifications for all environments. These include:

- DHL standard safe vehicle
- DHL standard rental vehicle
- Urban specification with enhanced safety features

Since its formation in 2007, the DHL Safety Forum has led the way with innovative safety ideas. The Safety Forum allows DHL to discuss safety requirements in detail with truck and trailer manufacturers. Where a solution does not currently exist, the Forum and manufacturers work together to develop one. Recent improvements include:

**‘Safe Suzie’** – DHL created this award-winning coupling device for articulated lorries with Don-Bur. The Safe Suzie helps prevent injury to lorry drivers by removing any need to climb onto the catwalk behind a tractor unit to couple the air and electrical lines.

**Front sensors** – We have fitted these to the front of vehicles to raise driver awareness of obstacles outside the field of vision, including the nearside and step area.

**Rear proximity sensors** – These sensors, with a flashing light which increases in frequency, warn the driver of approaching objects. Coupled with an external audible reverse alarm, they increase protection while reversing, without distracting the driver.

**Vehicle-mounted cameras** – The cameras fitted to DHL vehicles provide impartial video evidence of either poor driving or poor behaviour by other road users. This is valuable for training and for resolving disputes.

Our latest innovation is the ground-breaking **Safe, Clean and Quiet Urban Concept Vehicle**, designed to facilitate out-of-hours deliveries. It combines alternative fuel technology – 15% cleaner and quieter than diesel engines – with quiet delivery technologies and excellent safety features including a high-visibility cab and 360-degree cameras.

**Community engagement**
The earlier people are made aware of the potential dangers of large road vehicles the better. That is why we deliver a national road safety programme called ‘Trucks and Child Safety (TACS)’. It aims to help keep children safe around larger vehicles on the road, and targets children aged seven to 11 years old as they start to travel independently.

The programme is run by the DHL UK Foundation and delivered by DHL employees, who use simple educational messages and visual aids that young children understand and appreciate. Since its launch in 1998, more than 250,000 children have taken part in a TACS demonstration.

The TACS programme and the wider work of the DHL UK Foundation and our employees won one of the Prime Minister’s Big Society Awards in 2013.
EFFICIENCY

As the operator of the UK and Ireland’s largest contract logistics vehicle fleet, DHL has developed processes and technology to drive efficiency across all of its products. In a world where escalating fuel and labour costs combine with increased road congestion to impact adversely on costs, DHL has a toolbox of measures to respond.

Our approach to driving continuous improvement in efficiency has three key elements: exploiting scale; operational performance improvement; and information technology.

Exploiting scale
By harnessing our overall scale we achieve best value for each and every customer in number of key expenditure areas, including:

Subcontractor Centre of Excellence – We concentrate our overall activity in a procurement and carrier management process that creates value for customers, helps carriers achieve efficiency and creates long-term relationships.

Asset management – Our core supplier strategy creates value in the purchase of vehicles, fuel and maintenance. It also provides the basis for innovation and sharing of best practice.

Agency labour – A combination of regional and national suppliers creates a consistent supplier base, with competitive costs and quality of personnel.

Network of locations – With more than 200 locations and a network of regional outbases, we can provide flexible locations for customers across the UK and Ireland.

Operational performance improvement
There are three particular areas in which we and our customers particularly wish to see more efficient performance in transport operations:

Utilisation and visibility – Standardised performance measurement allows for tasking of improvement to be present in all transport operations. This approach has driven substantial increases in vehicle utilisation and reductions in cost for customers.

Compliance – Legal compliance is critical to the health of any operation. Our consistent approach to audit, driver management and clear visibility of performance through standardised IT systems ensures we protect our status as an industry leader while also safeguarding the reputations of our customers.

Fuel consumption – Our investments in vehicle telemetry and tracking allow daily management of the key variables in fuel management, namely route adherence and driving style. We use the data to assess performance, reward excellence and target underperformance. The results of this investment are evident across the business, as fuel consumption has improved in each of the last 18 months.
Information technology

Advanced IT provides a basis for answering many efficiency challenges, as the following examples illustrate.

**Standardisation for low cost** – DHL’s Transport Systems Competency team has created a suite of tools allowing standardisation of best practice and offering pay-as-you-go solutions to customers. Standardised back-office systems control the areas of asset management, compliance, payroll and finance.

**Visibility for customer service** – Vehicle tracking and sign-on glass technology are co-ordinated via our control towers to allow real-time customer service updates. The launch of our smartphone Carrier App allows extension of the solution to subcontracted deliveries as well as those by our own vehicles.

**Leading-edge planning and optimisation** – The latest investment has seen DHL create an industry-leading Transport Management platform called **ConnectedTransport**. This takes advantage of autonomous planning, strategic optimisation capabilities, commercial operations (including self-billing) and online portals for real-time visibility to manage our Industry Platforms and large-scale dedicated operations. This unique offer is only available from DHL.
CUSTOMER FOCUS

DHL’s focus begins by ensuring that the needs of our customer and their customers are central to every solution we design. In many cases one of our existing services will be the starting point for this process. However, we have extensive experience of creating new transport solutions where an existing service is not an ideal fit. Once operational, our Customer4Life approach ensures that performance is managed to meet expectations and that our business priorities remain firmly aligned throughout.

Our approach has three elements: creating the right solution; Customer4Life; and fostering collaboration.

Creating the right solution
We place customers at the heart of our solution design process, which goes through a series of stages to produce the perfect match.

Solution Design Centre of Excellence – The creation of logistics solutions across customers’ supply chains is a core competence of DHL, with Centres of Excellence in all five global regions. In total there are 253 Solution Design staff, using a standardised set of tools and processes, supporting the €14 billion supply chain costs of our customers. The UK and Ireland Centre of Excellence team consists of 41 Solutions Engineers and Modellers, and supports all sectors and products. The team executes around 400 assignments per annum and supports customers in a variety of projects including:

- Feasibility studies and new business ventures with existing and new customers
- Operational improvement initiatives
- New product development
- Consultancy assignments

Co-creation and making the right choice – Our breadth of Dedicated Services and Industry Platforms gives our teams the background to recommend the ideal solution for any project. Increasingly this is connected to flexibility against a background of business change. The decision on the best solution is usually taken in conjunction with the customer, based on an open and transparent assessment of the business case.

Commercial flexibility – Matching the appropriate commercial solution to the operational scheme is the final stage. We operate a wide range of open-book and closed-book mechanisms. The trend is increasingly toward closed-book or hybrid solutions tailored to the customer.
Customer4Life (C4L)
Understanding and enhancing the customer experience is the focus of this award-winning programme, which addresses improvement issues from a number of angles.

Service and delivery management – Local management teams control the day-to-day management of our transport contracts. Sometimes based with customers, these teams are responsible for all aspects of the operation, including safety performance, customer service and costs.

Account management and review – Local management reviews of costs, service and projects are at the heart of maintaining excellent customer relationships. Accompanied by quarterly senior management reviews and board-to-board meetings, the interaction of the teams ensures a common agenda is maintained at all times.

Joint business planning – The principal deliverable of the C4L programme is a joint business plan where common objectives are agreed and action plans set. The plan highlights all deliverables and is the focal point for quarterly business reviews.

First Choice Customer Survey – All customers are invited to express their views in a confidential survey that is conducted for DHL by an external organisation. This feedback, combined with the joint business plans, directs our product and service developments.

Fostering collaboration
DHL uses its scale to offer collaborative options to customers. Often deployed in the mid-term of a contract, this approach drives mutual benefit for all parties.

Freight Exchange – All transport teams have access to the Freight Exchange, which allows visibility of all backloading opportunities across the UK and Ireland. This creates an ever changing pipeline of opportunity for tactical collaboration and backloading between customers.

Regional collaboration – Our Regional Operating Centres in South West and South East England, Scotland and Ireland allow local collaboration between DHL customers on an opportunistic basis. Commonly used for outbase provision, cross-docking and final delivery, this method is often the first step to broader collaborative projects.

National collaboration – This approach allows collaboration to flourish between like-minded customers and provides both cost and service benefits. In many cases the cost savings are used by customers to invest in customer service improvements that generate further business benefits. Many of our Industry Platforms were born in this manner.
PEOPLE

With over 16,000 colleagues involved in the daily tasks of delivering transport services to our customers, and with a shortage of skilled staff in the industry, DHL has an employer-of-choice strategy in place to ensure that the necessary skills and flexibility are available.

Our approach has three key elements: training and development; creating succession; and employee engagement.

**Training and development**
Instilling, maintaining and continuously improving relevant skills is essential to delivering the best service.

**Driver training** – We provide a comprehensive range of driver training, including CPC, Smith System, fuel management, defensive driving and customer service, along with contract-specific training on product handling and administration.

**Management training** – This covers training in technical and behavioural competencies for all roles within DHL, along with discipline-specific academies and development programmes to meet the needs of individuals, our customers and our business.

**Creating succession**
Our various succession initiatives are designed to attract a flow of talent into the industry, maintain standards and support career progression.

**Tackling the driver shortage** – We attract new drivers through the deployment of innovative resourcing practices and routes to employment. Our strategy includes recruitment of military service leavers, driver migration schemes, regional driver pools, work with those Not in Employment, Education or Training (NEETs) and involvement in a national Warehouse to Wheels programme.

**Agency management** – We partner with a small number of nationally endorsed providers to enable proactive screening and assessment of agency drivers prior to employment, to ensure quality standards are maintained.

**Graduates and apprentices** – We use our award-winning operational and functional graduate programmes and a national apprenticeship programme to encourage young talent into our industry.

**Management development** – Our transport competencies, career ladder, stretch assignments, ‘fast track’ programmes and periodic development reviews enable individuals and business leaders to manage development progression at all levels.
Employee engagement
By looking after employees and encouraging their enthusiasm we help them to achieve fulfilment, for their own benefit and for that of DHL and its customers.

Benefits package and continuous improvement –
We offer a competitive package including a contributory pension scheme and employee benefits through relationships with leading brands. Employees are encouraged to engage with their local management teams, to shape their working environment and to support decision-making processes through continuous improvement activities, works councils and other engagement forums.

Employee surveys – In addition to measuring employee engagement and satisfaction locally through ‘Pulse’ surveys, each year DHL gives every employee the opportunity to ‘tell us what you think’ through a globally consistent employee survey. This specifically aims to identify actions necessary to enhance areas of satisfaction and address any areas for improvement.

Charitable work – Through the DHL UK Foundation, employees are encouraged and supported to work with charitable organisations that are sponsored by DHL or to which they have a personal attachment. Many drivers are accredited TACS (Truck and Child Safety) instructors and engage with primary schools on road safety.
DHL is the global market leader in the logistics industry and “The Logistics company for the world”. DHL commits its expertise in international express, air and ocean freight, road and rail transportation, contract logistics and international mail services to its customers.

THE LOGISTICS COMPANY FOR THE WORLD

A global network composed of more than 220 countries and territories and about 275,000 employees worldwide offers customers superior service quality and local knowledge to satisfy their supply chain requirements. DHL embraces its social responsibility by supporting climate protection, disaster management and education.
DHL SUPPLY CHAIN

As the world’s leading contract logistics provider we create competitive advantage for our customers by delivering exceptional operational service and innovative solutions across the supply chain.

Comprising a global network of 125,000 dedicated employees, in more than 60 countries, DHL Supply Chain provides the best supply chain solutions across a number of industry sectors including automotive, consumer, energy & chemicals, engineering & manufacturing, life sciences & healthcare, retail, and technology.

As the most trusted operator in the logistics industry, you can depend on DHL Supply Chain to deliver on its promises.

DHL EXPRESS

Leading the market globally in the international express business, DHL Express specializes in door-to-door delivery of documents and parcels worldwide. Over 40 years of successful service has been built upon a strong global network in which up-to-date, environmentally friendly aircraft connect state-of-the-art hubs in each region.

High levels of service from more than 100,000 employees, in more than 220 countries, are coupled with exceptional knowledge, expertise and passion in the field of international shipping. Working together, and with a ‘can-do’ attitude, we deliver a world-class service that ensures rapid and secure shipment of every package to its destination.

DHL GLOBAL FORWARDING

DHL’s specialist knowledge can be relied upon to move any product from anywhere in the world to its required destination – quickly, cost-effectively and with the greatest of confidence and ease for the customer. We provide a comprehensive service based around our core AIR FORWARD, OCEAN FORWARD and GROUND FORWARD products.

What separates us from the competition is the combination of these services with our logistics capabilities, trade expertise and understanding of each industry sector. Taking care of customs, documentation and all other necessary protocols, we ensure a worry-free experience and the best possible value for customers.

DHL FREIGHT

DHL supplies a comprehensive range of international road freight services, including customized and specialist solutions. Our operations involve more than 160 terminals in Europe, the Commonwealth of Independent States, the Middle East and North Africa. Around 11,000 highly qualified employees give us a presence in more than 50 countries.

Around two million full truckload movements are handled annually, transporting a total of over 40 million tons. Among the many options available to customers are part or full loads, temperature-controlled and high-security shipments, a complete logistics solution for trade fairs and events, a flexible choice of transport methods and the benefit of DHL’s customs solutions and expertise.