

DHL GLOBAL TECHNOLOGY CONFERENCE 2015

Breakout Session:

Lean & Continuous Improvement (FIRST CHOICE):
Collaboration to Drive End-to-End Improvements

Dubai, 14-16 April 2015



What will happen in this session:



Agenda


- Continuous Improvement at DPDHL Group: FIRST CHOICE
- Continuous Improvement in collaboration with customers – Case study: TE Connectivity
- Discussion on collaboration options and benefits

Facilitators

- Iris Kaib, Vice President Corporate First Choice Office
- Irina Albanese, Regional Senior Advisor Middle East, Africa



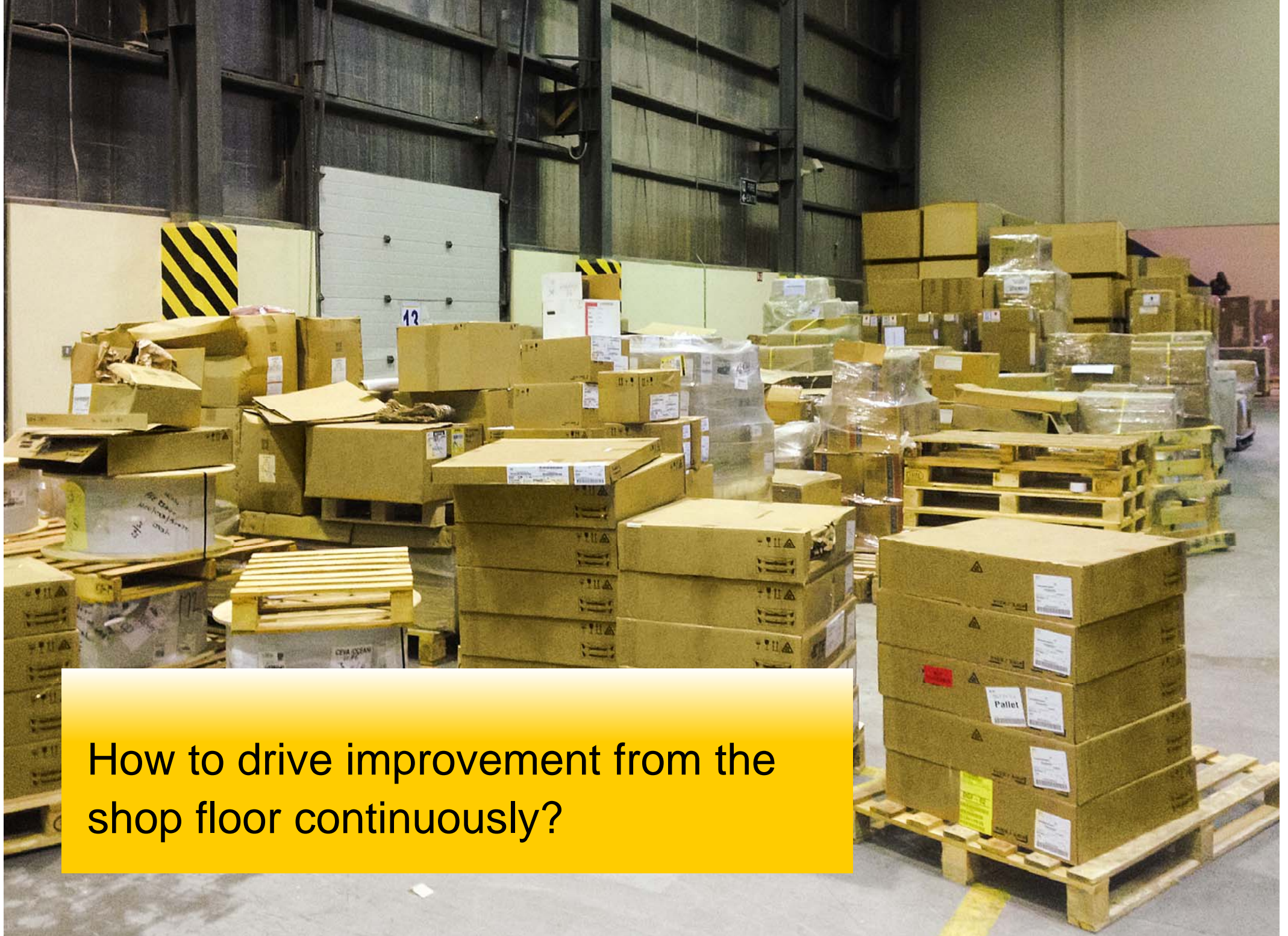
In 2007 DHL started the journey to Continuous Improvement and Lean with a classical Six Sigma Program



We have made
tremendous progress –
Certificate No. 30,000
signed in 2013...



But we spent too much time in the meeting room...



How to drive improvement from the shop floor continuously?



By addressing all dimensions
necessary for improvement!

FIRST CHOICE: Everybody, Everyday, Everywhere... a little better!

Create emotional engagement with customers & employees - listen to customer voice, 'go & see' the real-workplace and role-model the change you want to see



Drive high-performance culture - discuss operational performance & targets regularly at all levels and derive actions



Mindset & Behavior



Performance Mgmt.



FIRST CHOICE
For our customers. Worldwide.



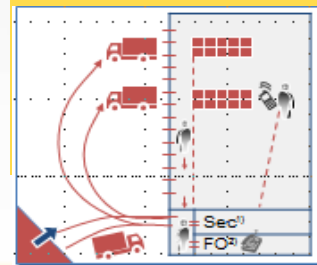
Organization & Skills



Processes



Train & empower employees to identify & solve issues and create safe & motivating work environment



Create efficient & defect-free processes - identify & eliminate waste and drive standardization to create industry-leading processes



FIRST CHOICE: Supporting our strategic aspirations to become most customer-centric and the quality leader of our industry

Our Aspiration



When people think of logistics, we want them to think DPDHL

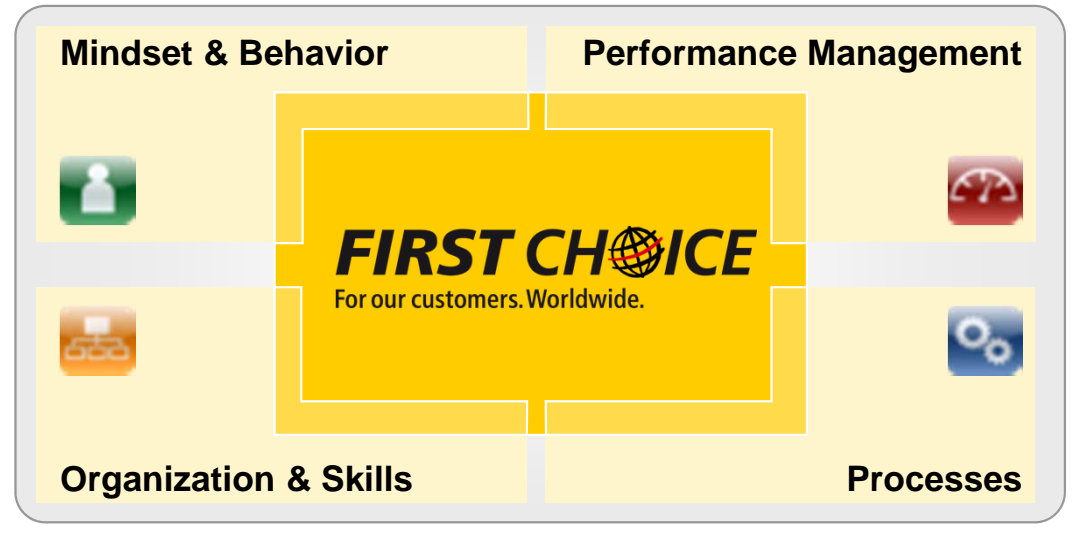
- WE are the **most global**
- WE are the **quality leader**
- We are most **customer-centric**

Our Way

We never stop improving!



Our way to drive Continuous Improvement:
Everybody, Everyday, Everywhere... a little better!



Speciality
Tools/
Concepts

Regularly
Used Tools/
Concepts

Frequently-
Used Tools/
Concepts

 **OPPORTUNITY-ASSESSMENT**
THE FIRST CHOICE WAY

 **DMADV**
THE FIRST CHOICE WAY

 **CHANGE MANAGEMENT**
THE FIRST CHOICE WAY

 **ZERO DEFECTS**
THE FIRST CHOICE WAY

 **SAFETY**
THE FIRST CHOICE WAY

 **VSM**
THE FIRST CHOICE WAY

 **DILO**
THE FIRST CHOICE WAY

 **BACKWARD IMAGING**
THE FIRST CHOICE WAY

 **15 Words**
THE FIRST CHOICE WAY

 **VOC**
THE FIRST CHOICE WAY

 **PDCA**
THE FIRST CHOICE WAY

 **DMAIC**
THE FIRST CHOICE WAY

 **SWIMLANE**
THE FIRST CHOICE WAY

 **SELF-ASSESSMENT**
THE FIRST CHOICE WAY

 **STANDARDS**
THE FIRST CHOICE WAY

 **SIPOC**
THE FIRST CHOICE WAY

 **KAIZEN**
THE FIRST CHOICE WAY

 **LABOUR MGMT.**
THE FIRST CHOICE WAY

 **KPI Tree**
THE FIRST CHOICE WAY

 **STANDARD WORK INSTRUCTIONS**
THE FIRST CHOICE WAY

 **ELEVATOR SPEECH**
THE FIRST CHOICE WAY

 **COMMUNICATIONS**
THE FIRST CHOICE WAY

 **MGMT. ROUTINE**
THE FIRST CHOICE WAY

 **NPA**
THE FIRST CHOICE WAY

 **GEMBA**
THE FIRST CHOICE WAY

 **5S**
THE FIRST CHOICE WAY

 **PERFORMANCE DIALOG**
THE FIRST CHOICE WAY

Supported by a world-class toolbox

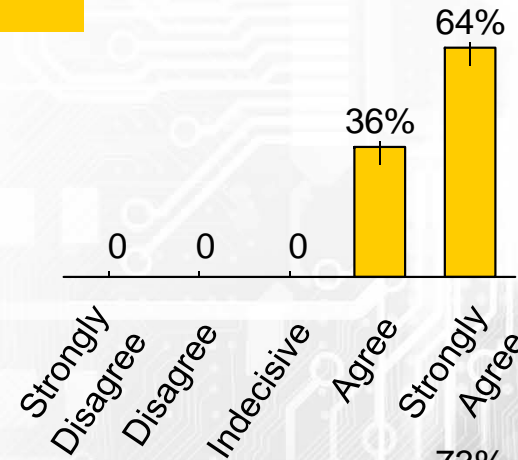


Let's discuss!

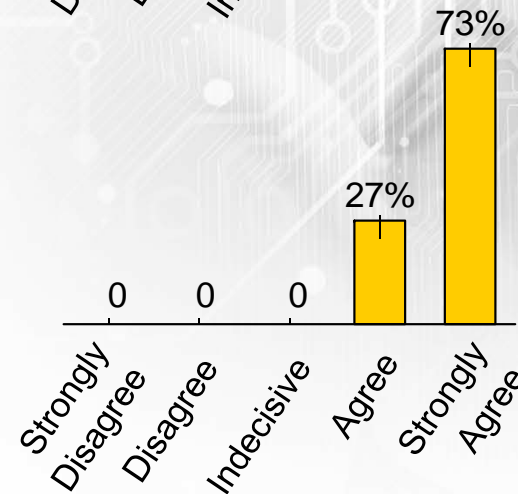
Customer Input on Importance and need of Continuous Improvement

Flash Survey in Breakout

“We expect a structured approach to Continuous Improvement from our suppliers”



“We want to collaborate more with our suppliers on Continuous Improvement”





Regular, structured face-to-face conversations – *i.e. dialogs* – between managers, supervisors or team leaders, and their respective teams.





Go to the *real place* to observe the *real thing* and talk to the *real people*



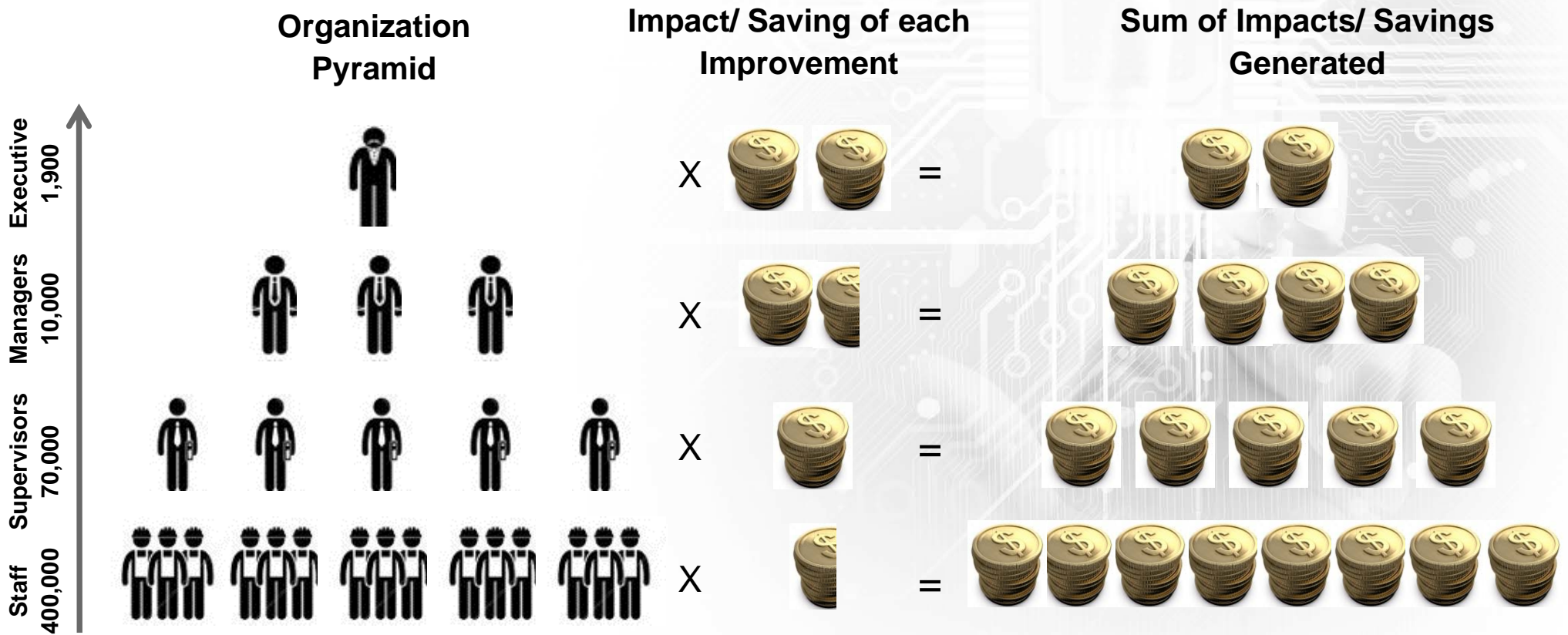


EVERYBODY.
EVERYDAY.
EVERYWHERE.
A LITTLE BIT BETTER

FIRST CHOICE

Our employees know best what to improve...

Who should drive Continuous Improvement?





...and that is why we now train **everybody** as Certified International Specialists

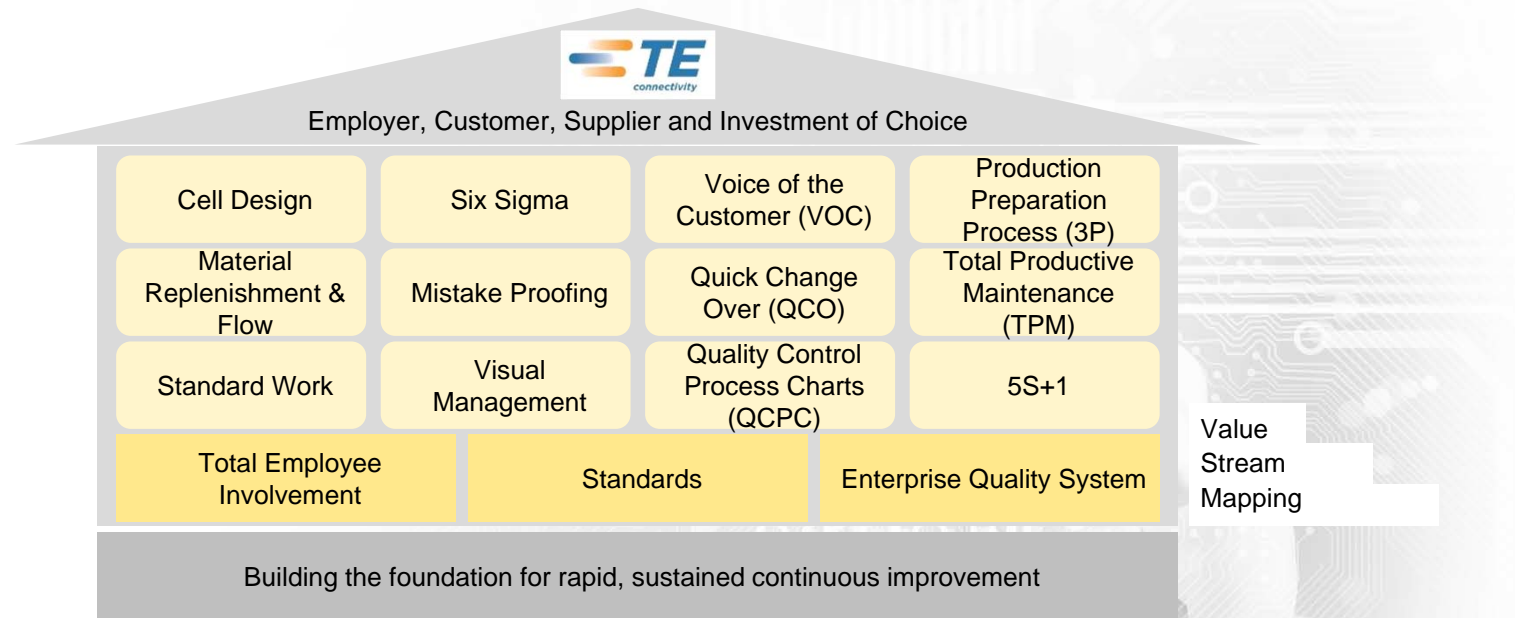




Combining Strengths: Case Study
TE Connectivity & DPDHL

TE Connectivity is driving Continuous Improvement with TEOA – a system like often found in manufacturing companies

Defined set of tools built upon a strong foundation




Maturity model combining deployment of tools and performance

Tool Scorecard	+		Performance Scorecard	=		Star Rating = Minimum of all individual scores																																																																							
<table border="1"> <thead> <tr> <th>Tools</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>5S + 1</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>TPM</td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Visual Management</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>QCPC</td> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>...</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Tools	1	2	3	4	5	5S + 1			X			TPM				X		Visual Management			X			QCPC		X				...								<table border="1"> <thead> <tr> <th>Metrics</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Safety</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>Customer Complaints</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>On-Time Delivery</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>Productivity</td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Inventory Accuracy</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> </tr> </tbody> </table>	Metrics	1	2	3	4	5	Safety			X			Customer Complaints			X			On-Time Delivery			X			Productivity				X		Inventory Accuracy			X				★★
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... and it works great for TE Connectivity!

A photograph of two IT professionals, a man and a woman, in a server room. They are looking at a network switch with many yellow and red cables. The woman is pointing at a cable, and the man is holding a red handheld device. The scene is dimly lit, with the primary light source coming from the server racks.

Why collaborating on Continuous Improvement along the Supply Chain?

Joint workshop to align Continuous Improvement systems

TEOA tools for warehouse operations

	Process Improvement Management	5S	Standard Work	VSM	VOC	Mistake Proofing	Fast Response (visualize complaints)	Quality Control Process Charts	Safety	Total Productive Maintenance
Performance Dialog	x							x		
5S		x								
Visual Management	x						x			
Gemba	x									
VSM				x						
VOC					x					
Standards			x							
Leader Standard Work	x									
Zero Defects / Poka Yoke						x				
Quality Management Approach					x	x	x			
Standard Business Procedures									x	x



First Choice tools

Priority for roll-out



FIRST CHOICE implementation for TE Connectivity recognition

Alignment of both tools and KPIs in order for TE to be able to compare the implementation of Continuous Improvement

Achievement of requirement for First Choice tools						+	KPI Performance						=	Star Rating = Minimum of all individual scores	
Tools	1	2	3	4	5	Metrics	1	2	3	4	5	★ ★			
Performance Dialog			X			Safety – <i>Total Recordable Injury Rate</i>			X			★ ★			
5S				X		Customer Complaints – <i>LPM(Complaints per line item)</i>			X						
Gemba			X			On-Time Delivery – <i>On-Time Shipments</i>			X						
VSM		X				Productivity – <i>Cartons/Person/Day</i>				X					
VOC			X			Inventory Accuracy – <i>Cycle Count Performance</i>			X						
Standards		X													
Zero Defects / Poka Yoke		X													
Fast Response/8D				X											
Safety ⁴⁾		X													
Total Productive Maintenance			X												

What do you want to get to know more of?



PERFORMANCE DIALOGS
as a platform for Continuous Improvement



LAYERED GEMBA WALKS
to engage all employees in Continuous Improvement



Value Stream Mapping
Joint view @ end-to-end performance



Health and Safety
Jointly creating a SAFETY FIRST culture

Put up the card with topic you are mostly interested in!



PERFORMANCE DIALOGS

- a platform to connect deployed tools
& enable each employee to drive
Continuous Improvement



LAYERED GEMBA WALKS

Fueling up Continuous Improvement
in a structured way

TE Value Stream Map 2015



VALUE STREAM MAPPING

Joint view at end-to-end performance



APPROACH TO SAFETY

Creating SAFETY FIRST culture - a foundation for excellence

Customers. Worldwide.

Znamená být první volbou
pro zákazníka a zaměstnance.



MEETING AREA



What was the impact of the collaboration?

Customer satisfaction of key stakeholders has improved significantly

“DHL has distinguished itself among our 3PL partners.”

“A highlight for me was the cross-functional VSM workshop – also involving us as the customer.”

“The core of our common success is linked to people engagement and accountability to the continues improvement programs of both companies.”

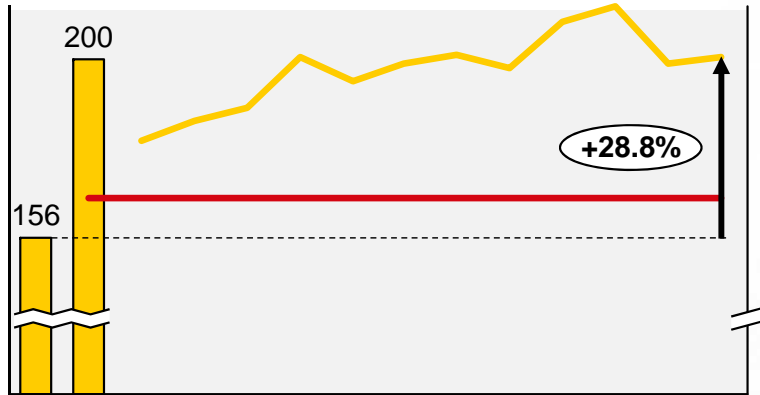
“The integration of TEOA and FIRST CHOICE created better mutual understanding, easier communication and enables us to work jointly on improvement activities.”

“Seeing the robust implementation of FIRST CHOICE and the associated operational improvements at the sites bolsters confidence that DHL will continue to deploy FIRST CHOICE as a measurable standard that will foster the business relationship between our two companies.”



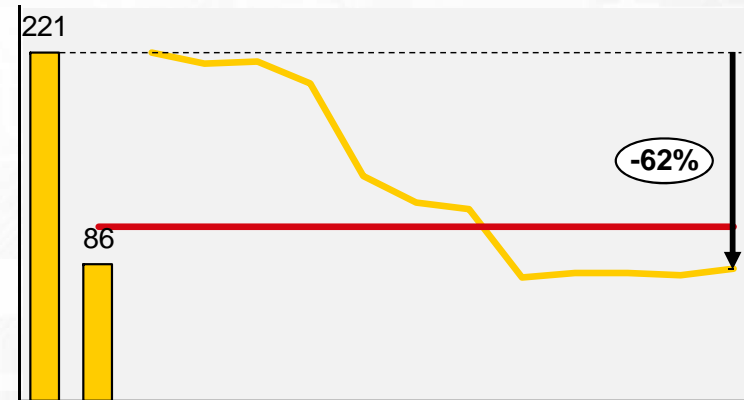
KPI Overview on main site (1/2)

Productivity (Cartons / person / day) ✓



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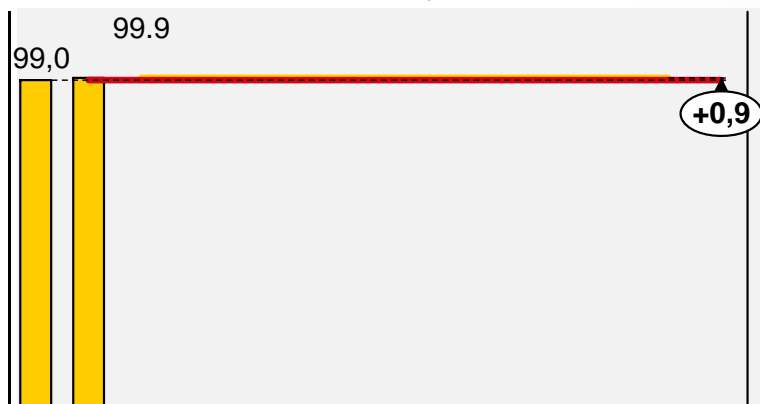
Complaints per MIO line item shipped ✓



20132014 Oct- Nov- Dec- Jan- Feb- Mar- Apr- May- Jun- Jul- Aug- Sep-
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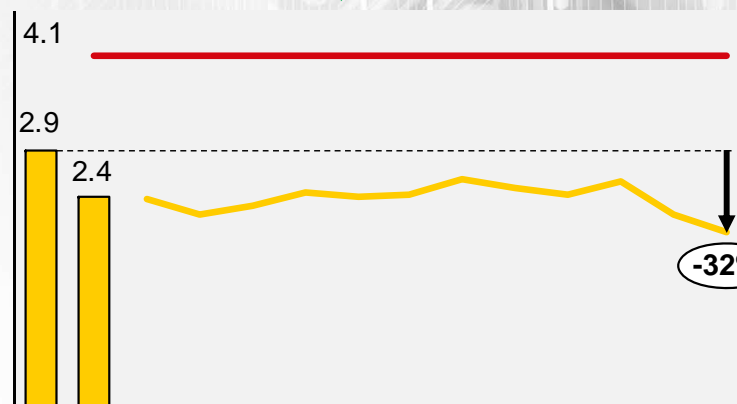
■ Historic
— Monthly
— Target

On-time shipments [%] ✓



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Dock-to-stock [h] ✓



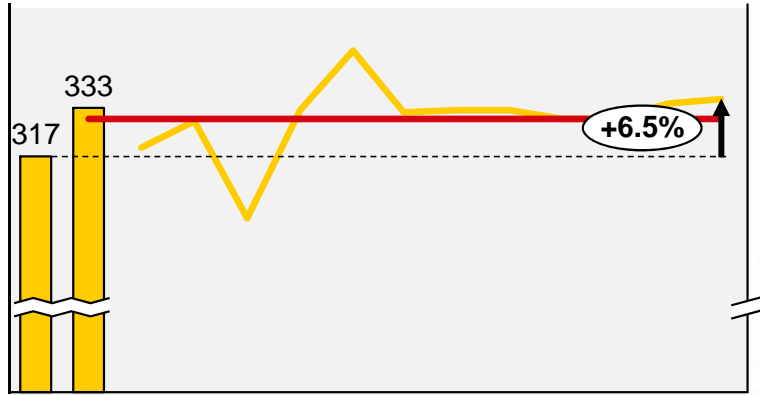
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Source: Reporting for Fiscal Year 2014 (October 2013 – September 2014)



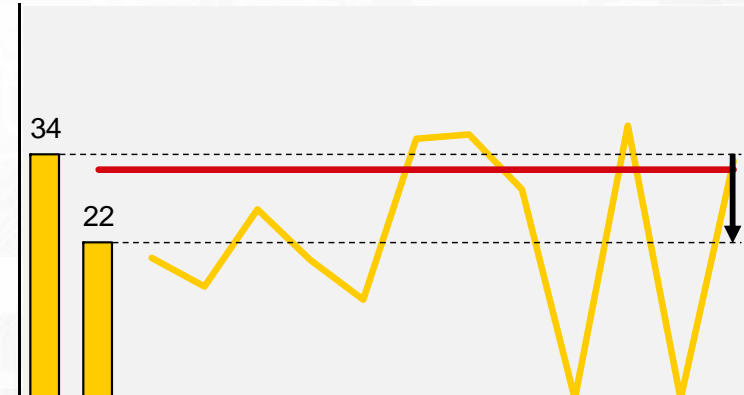
KPI Overview on main sites (2/2)

Productivity (Cartons / person / day) ✓



2013 2014 Oct- Nov- Dec- Jan- Feb- Mar- Apr- May- Jun- Jul- Aug- Sep-
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Complaints per MIO line item shipped ✓



2013 2014 Oct- Nov- Dec- Jan- Feb- Mar- Apr- May- Jun- Jul- Aug- Sep-
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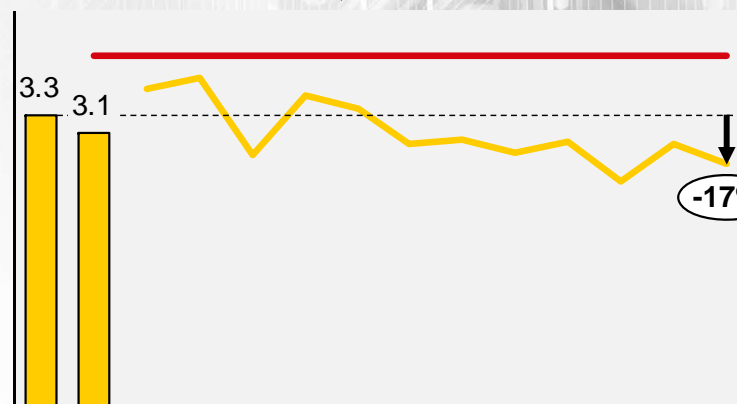
■ Historic
— Monthly
— Target

On-time shipments [%] ✓



2013 2014 Oct- Nov- Dec- Jan- Feb- Mar- Apr- May- Jun- Jul- Aug- Sep-
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Dock-to-stock [h] ✓



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THANK YOU

