

DHL SUPPLY CHAIN

Our Compensation Technology Journey

April 2017

A strategic resource to optimize your supply chain

DHL Supply Chain is part of the Deutsche Post DHL Group with a global network and an extensive logistics portfolio



1) 2015 figures; Including Corp. Center/Other/Consolidation

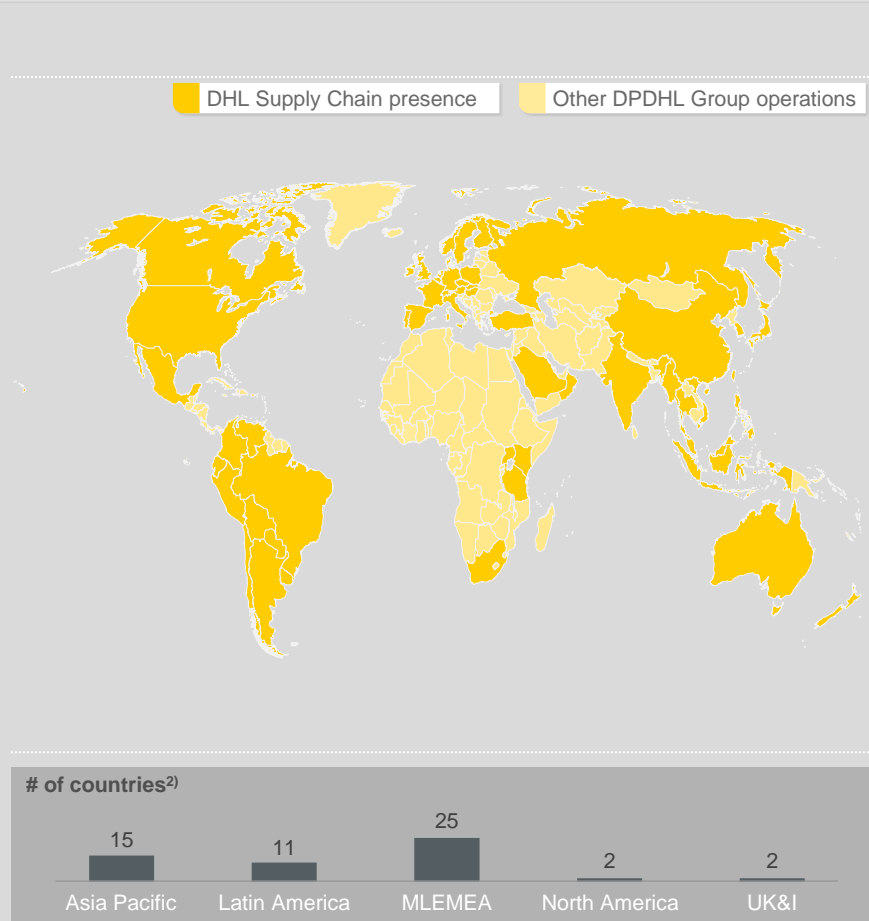
DHL Supply Chain – Number one global contract logistics provider

Getting you **AHEAD** of your competitors

- Excellent operations and innovative solutions across the supply chain
- Supply chain solutions based on industries' requirements and needs
- Network of approx. **145,000 experts** in more than **50 countries** and territories
- **>13.4 million** square meters warehouse space
- Global market leader with **7.4% market share¹⁾**
- **EUR 15.8bn** in annual revenue in 2015

KEY industry sectors

- Energy & Chemicals // Automotive
- Technology // Engineering & Manufacturing // Retail // Life Sciences & Healthcare // Technology // Consumer



- ~145,000**
Employees
- 2178**
Locations
- ~13,400,000³⁾**
Square meter
- ~1,500**
Customers

1) Market share more than 3 times higher than No. 2; Highly fragmented market estimated at EUR 176bn; top 10 players account for about 20% of the overall market;
 2) Countries with significant supply chain revenue, DPDHL is present in more than 220 countries and territories; 3) DHL Supply Chain owned or leased warehouse space

Our Compensation Technology Journey - Background

We decided to launch an RFP process for a Global Compensation Management system based on :

Business Need ...

UK & Ireland

Merit : 9,000

Bonus : 4,000

Internal system in place
for merit process

Asia Pacific

Countries : 15

Merit : 4,000

Bonus : 7,000

No systems in place

North and Latin America

Countries : 6

Merit : 8,000

Bonus : 5,500

External system in place
for merit process

Mainland Europe, Middle East & Africa

Countries : 27

Merit : 6,500

Bonus : 2,500

No systems in place

Deutsche Post DHL Group Strategy 2020

And Business Strategy ...

↗ Focus

We focus on providing exceptional logistics solutions...



Logistics as our core



Committed to the needs of our customers and our planet



A family of divisions

...to make our customers more successful.

↗ Connect

We connect across the organization...



A global team



Certified specialists for everything we do



Connected approach in operations, commercial, green solutions and shared services

...to deliver quality leadership and service excellence.

↗ Grow

We expand in new segments...



Leader in eCommerce related logistics



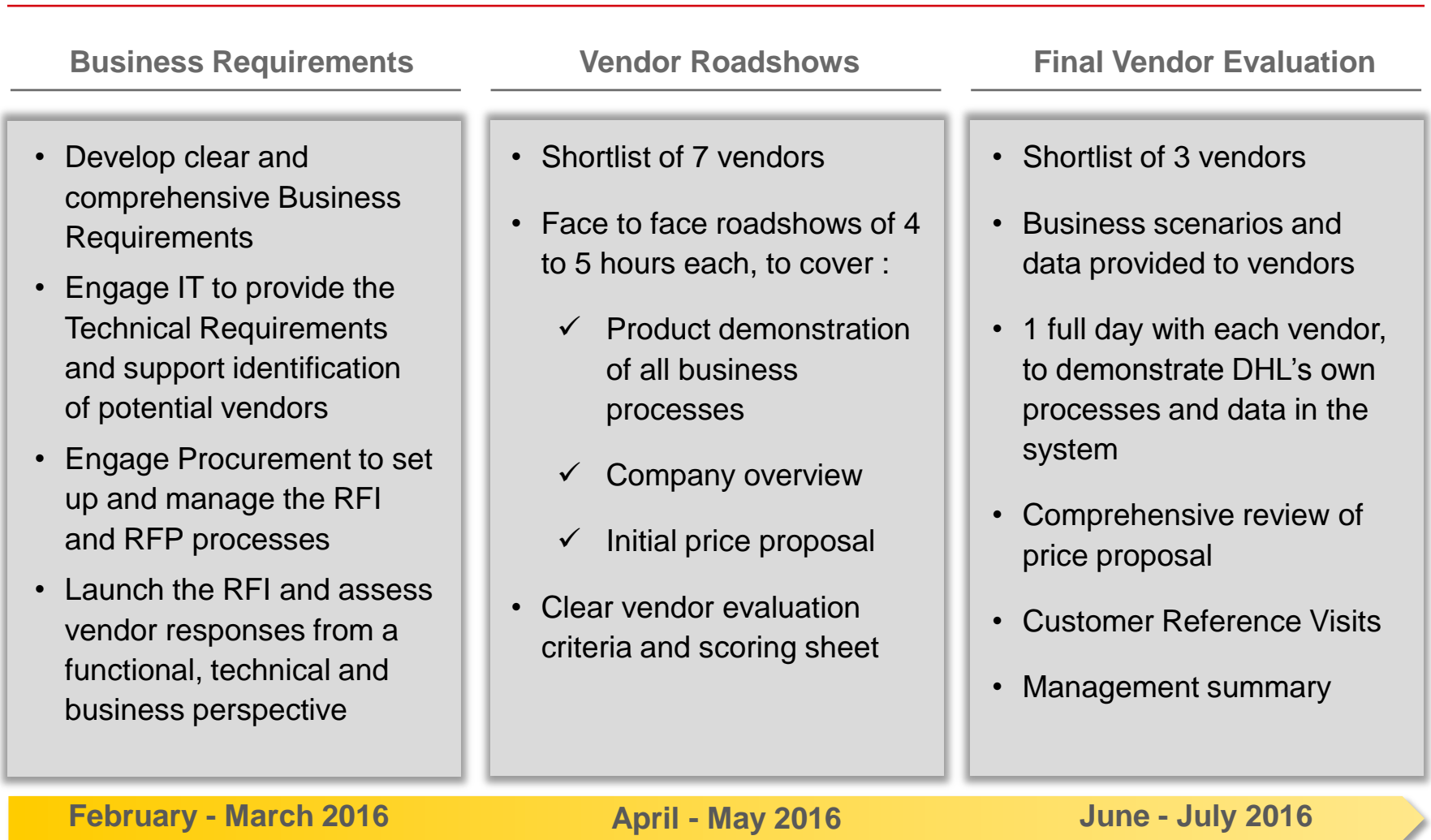
Accelerate footprint shift towards emerging markets



Tap new market opportunities for organic expansion

...to help our customers harness new growth opportunities.

The RFP Process



Timeline



Effective Vendor Evaluation

Have clear business requirements and ‘pain points’, which you want to see demonstrated in the system. From our experience, consider :

Managers running merit review for teams in multiple countries



Simulation and Modelling – e.g. merit budget distribution, bonus payout modelling

Merit budget setting and distribution



Ease of administration

The license model – how many modules do you need to purchase ?

Complex bonus calculations



The Business Case

Convince the business to support the investment :

1. Financial model – can you find tangible cost savings (e.g. headcount reduction, decommissioning of existing platforms)
2. Governance and control of spend – reduction of errors
3. Process Automation – reduction in non-value added activity for HR and managers
4. Data Management and Protection – remove the risks of unprotected emails and spreadsheets
5. Visibility and Transparency – management reporting and modelling; increase employee and manager engagement
6. Ask your chosen vendor for support and case studies

THANK YOU FOR YOUR ATTENTION

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Total Compensation

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