DIGITALIZATION AT DEUTSCHE POST DHL GROUP

Digitalization Example: Smartscanner

Anastazja Romanowski
Prague, September, 22nd 2017
Agenda

1. Deutsche Post DHL Group
2. Digitalization Example: Smartscanner
3. Lessons Learned
1 Deutsche Post DHL Group
A global company with a unique portfolio

No. 1 in international express delivery

Europe’s largest postal service

Leader in the forwarding business

Partner for e-commerce and a pioneer in secure digital communications

No. 1 in contract logistics

Source: Annual Report 2016
Deutsche Post DHL Group
The leading global logistics provider

About **510,000 employees**

Operating in **220 countries** and territories

**EUR 57.3bn group revenues**

4 main business units:
**Post - eCommerce - Parcel**, Express, Supply Chain, Global Forwarding Freight

Source: Annual Report 2016
# Deutsche Post DHL Group

## Overview: Post - eCommerce - Parcel

### Businesses (excerpt)

<table>
<thead>
<tr>
<th>Post</th>
<th>Deutsche Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Communication</td>
<td></td>
</tr>
<tr>
<td>Mail International</td>
<td></td>
</tr>
<tr>
<td>Dialogue Marketing</td>
<td></td>
</tr>
<tr>
<td>Press Services</td>
<td></td>
</tr>
<tr>
<td>E-POST</td>
<td></td>
</tr>
</tbody>
</table>

### Figures (examples)

- **approx. 30,000 mail carriers**
- **110,000 mail boxes**
- **45m households**, post office boxes and business addresses
- **Delivery on 6 days** across the whole of Germany
- **59m letters per day**, of which approx. **200,000 registered letter per day**

Source: Annual Report 2016  
Focus today
Digitalization Example: Smartscanner

Before: Labour- and time-intensive process

Device: HASCI¹ stationary

Preparation: Queuing up for centralized preparation station for paper documentation

Delivery: Handwritten delivery documentation on paper

Follow-up: Scan of handwritten delivery documents at the end of the day at the centralized station

Example: Registered letter

Source: Project Smartscanner  1) HASCI – Internal software for processing of letters and parcels
2 Digitalization Example: Smartscanner
Starting point of the project

Challenges

» Numerous non-value-adding activities (e.g. walking, waiting time)

» Lots of paper sheets

» No possibilities for additional products

» Delayed response of receipt

» Error-prone documentation (e.g. lost papers, illegibility)

Source: Project Smartscanner
2. Digitalization Example: Smartscanner

After: Lean and digital process

<table>
<thead>
<tr>
<th>Device</th>
<th>Preparation</th>
<th>Delivery</th>
<th>Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartscanner</td>
<td><img src="image1" alt="Diagram" /></td>
<td><img src="image2" alt="Diagram" /></td>
<td><img src="image3" alt="Diagram" /></td>
</tr>
</tbody>
</table>

**Result**

- **Digital registration of letters at own decentralized workplace**
- **Digital documentation at the customer’s site**
- **No follow-up activities necessary due to digital process**

Source: Project Smartscanner
2 Digitalization Example: Smartscanner

Project approach

<table>
<thead>
<tr>
<th>Project phases</th>
<th>IT-Migration</th>
<th>Pre-rollout tests</th>
<th>Rollout</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Future applications</td>
</tr>
</tbody>
</table>

**Employee involvement**

- No explicit involvement
- Weekly feedback during test phase
- Workshop for final selection of devices
- Educational trainings
- Mailbox/hotline as additional roll-out support
- Lessons learned workshops
- Idea-Mgmt. for improvement suggestions

Source: Project Smartscanner
## Digitalization Example: Smartscanner
### IT - Migration

<table>
<thead>
<tr>
<th>Before</th>
<th>Challenges</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Device" /></td>
<td>Portability of software</td>
<td><img src="image2.png" alt="Device" /></td>
</tr>
<tr>
<td><img src="image3.png" alt="Operating System" /></td>
<td>Using of different operating systems</td>
<td><img src="image4.png" alt="Operating System" /></td>
</tr>
</tbody>
</table>

Source: Project Smartscanner  
1) HASCI – Internal software for processing of letters and parcels
## Digitalization Example: Smartscanner

### Pre-rollout tests

<table>
<thead>
<tr>
<th>Hardware Type</th>
<th>Identification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scanner „light“</td>
<td>Honeywell 70e Black</td>
</tr>
<tr>
<td>Rugged smartphone</td>
<td>CAT B15 Q</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pilot Area</th>
<th>45 postmen</th>
<th>3 weeks</th>
<th>6500 letters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cologne</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Munich</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Use of cost-efficient smartphone possible**
- **Commercial smartphone is preferred by postmen**
- **For low utilization, commercial smartphone is sufficient**

Source: Project Smartscanner
2 Digitalization Example: Smartscanner
Pre-rollout tests – Feedback from the users

„Regarding the amount of registered letters, I do not want to give back my smartscanner“
„Faster billing“
„I can deal with my letters and parcels at my workplace without hurries“
„Sleep mode and entering of unlock code are time-consuming“
„Time-consuming typing of recipient names“
„I can well imagine to work with the smartscanner in future“
„The customers are impressed that only one signature is necessary for several registered letters“
„No queues during preparation“
„Screen too dark when exposed to direct sunlight“

Positive feedback demonstrates process-related advantages

Improvement potential is only hardware- and software-related and solvable

Source: Project Smartscanner
2 Digitalization Example: Smartscanner
Pre-rollout tests – Feedback from the users – Video
2 Digitalization Example: Smartscanner

Rollout

- **Implementation of user feedback** from the pre-rollout test
- **Use as work equipment** incl. charging solution at the site
- **Rollout**
  - 26.500 Samsung J5
  - 2.100 sites nationwide
  - 6 months rollout

Source: Project Smartscanner
2 Digitalization Example: Smartscanner
Future applications

Future ideas for applications

Customer orientation

› Realization of new products and services in the field of e-commerce

› ...

Employee orientation

› Reduced work accidents, e.g. thanks to weather information

› Increase of satisfaction due to supporting functions, e.g. calling

› ...

Use of smartphones enables use of application-specific apps

Source: Project Smartscanner
3 Lessons Learned
Project experiences

Employees consider **digital work equipment as significant improvement**

**Modern work equipment is seen as appreciation of work** and leads to an increase of **employee satisfaction**

Employees develop **new ideas** to support and improve the work processes on their own

Source: Project Smartscanner
TIME FOR QUESTIONS

Contact details:
Anastazja Romanowski
Anastazja.Romanowski@deutschepost.de

European Social Dialogue
First Regional Workshop
“Promotion of social dialogue in the postal sector in an enlarged Europe”