



DHL FIRST CHOICE  
**CONTINUOUS IMPROVEMENT  
CONSULTING**



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To simplify the understanding of each tool a standard structure has been used for all tool deep-dives:

**Goals/Benefit:**

reasons for applying the tool / what's in it for me

**When:**

recommendation of when tool can be applied

**Steps:**

guide on how to apply tool

# INTRODUCTION

DHL First Choice is a DHL's worldwide program to drive continuous improvement of processes and services. 'Everybody, Every Day and Everywhere a little bit Better' has enabled us to become and remain the first choice of our customers. This passion for continuous improvement is part of our DNA and is anchored in our corporate culture. It has allowed us to be a global market leader in logistics for many years now. We are happy to share our expertise and experience with you; now you too can experience what the First Choice approach can do for your company and your customers. We have already guided many customers in this process.

## Goal of DHL First Choice

The goal is to create greater efficiency in your services and optimize your processes, with the help of our DHL First Choice experts. Improvements that increase your business performance and strengthen trust in your company. It will also positively impact your customer's experience with your brand.

## What are the benefits

Improved processes and increased efficiency will help you focus on the true core activities of your business. It also means you can put your customer first, which is essential for maintaining and strengthening customer loyalty. In concrete terms, together with you we will identify opportunities for improvement and help implement these across all the different areas in your company: from strategic change management to applications in logistics, invoicing, customer service and other aspects of your business. Furthermore, you will find that many of these quality improvements will also create real cost savings. These improvements are all very practical and tangible.

## DHL First Choice consulting – How does it work

For DHL First Choice, our experienced and trained experts use proven techniques such as DMAIC en Gemba. These are based on, amongst others, the Six Sigma, Lean and Change methods. In the so-called Gemba walks we literally walk along the floor and observe, precisely in the place where it all happens. Other techniques used are, for example, the 5S method, Accelerating Change Transition (ACT), Value Stream Mapping and Visual Management. Using all these different techniques will enable us to support you in a systematic and structured way to further optimize your business performance. This is of course never a 'cookie-cutter' approach; every First Choice Consultancy is completely customized, together with you.



# METHODOLOGIES

Matching your company, your situation and your case or question, we will use the appropriate First Choice tools and techniques, based on Lean, Six Sigma and ACT. Let's start by telling you a little bit more about these methodologies.



# ACT

ACT means Accelerating Change and Transition. This is a change management methodology to help manage change initiatives (such as DMAIC) more effectively. It is a framework to develop and implement strategies to deal with the impact on people of changes to operations, processes and systems/technology, thereby accelerating the successful implementation of change.



## Goals/Benefit

- Successful change requires the acceptance of employees. It is the employees who can agree to or reject new processes and organizational forms. The use of ACT helps to actively involve them from the start
- Changes can be accelerated and strengthened in the long-term
- Human or cultural aspect of process changes can be optimally supported in addition to the purely technical aspects
- ACT especially focuses on the Acceptance for change with the ultimate goal increasing the effectiveness of a change by considering the people implications



## When

- Before and during new projects requiring people to change behaviors
- When you miss engagement and acceptance, face resistance, have no clear alignment on what the change is all about or why it is happening



## Steps

- A successful change requires balance between the 8 elements of the ACT model (see Approach)
- First step is to find out which elements you have already covered and where you need to improve in order to bring change into your organization

## TIPS & TRICKS

- There are numerous simple tools for supporting ACT and the individual levers e.g. 15 Words, In/Out of the Frame, Start/Stop/Continue, etc.
- Use support of an experienced ACT practitioner

## APPROACH

### CHANGE × ACCEPTANCE = EFFECTIVENESS

- **Leading Change** – manage change with a passion: make it a key priority, publicly support the change, ensure resources are available, help overcome resistance and demonstrate leadership capabilities.
- **Creating a Shared Need** – ensure people understand and support the urgency for change: What is the reality? Is it a threat or an opportunity? Identify what will help stakeholders understand.
- **Developing a Vision** – clearly define/describe/picture the desired To-Be state and share it. Ensure that everyone understands the behaviors/actions required for the future.
- **Mobilizing Commitment** – obtain buy-in and support from key functions and individuals. Identify and overcome forces of resistance from key stakeholders. Planning and Executing Change – this is the technical component of the change (the “C” part): planning the tasks associated with the change, defining the scope of the change, surveys, analyses, project plans and build the change team/the guiding coalition.
- **Communicating Change** – ensure there are consistent, clear, timely, appropriate, personal and honest messages, build two-way communication, create dialog (focus groups, Q&As, team meetings, 1to1’s, etc.)
- **Aligning the Infrastructure** – reassess the infrastructure elements to ensure they support and reinforce the change and desired behaviors (recruitment, compensation, roles & responsibilities, development, measurement, rewards, communication, office set-up, etc.)
- **Sustaining Momentum** – establish benchmarks for change and set up a monitoring process, identify quick wins, make corrections as required, integrate learnings from what has been done.

# DMAIC

DMAIC is an acronym for Define, Measure, Analyze, Improve, Control. It is a five phase approach for process improvement. DMAIC originally comes from the Six Sigma Methodology. It is a structured approach to come up with proven and sustainable solutions for customer problems.



## Goals/Benefit

It is a proven methodology that is used by top companies worldwide. The five phases ensure proper problem description, accurate base lining, thorough root cause analysis, structured improvement implementation AND methods and measurements in place in order to sustain the improvements.



## When

- When we have a customer issue that is process related
- When we have an existing process and we do not know the root causes or solutions



## Steps

The 5 steps are:

1. Define: What is the problem from the customer's perspective, what is the goal, what is critical to the customer?
2. Measure: How big is the problem (what is our current performance)?
3. Analyze: What are the vital few root causes for the problem?
4. Improve: What are the best solutions for the root causes and how do we implement them?
5. Control: How do we sustain the solutions? What do we do after we close the Activity to monitor performance?

## TIPS & TRICKS

- Customer can be internal and/or external
- All phases must be covered. Do not jump from Define to Improve to "save time"!

## APPROACH



# LEAN

The Lean methodology focuses on creating value for the customer efficiently, meaning with no waste, maximum flexibility and minimum variation. "A perfectly Lean process takes up no resources, no time and no space". This is something we will never accomplish, but the Lean methodology aims towards that goal. Lean is a way of thinking, the challenge is that we "learn to see" the inhibitors like waste, no flow, no standards, etc.



## Goals/Benefit

It is a proven methodology that is used by top companies worldwide. The Lean methodology is much more than a set of tools. Those who aim to be Lean are looking to do more with less resources, less time and less space with the purpose to deliver exactly what the customer wants, at the right time at the right place. Lean Thinking means we are looking at the entire value stream (all of the actions required from when an order is placed to delivery to the customer) from the customer's perspective. The Lean tool box provides a number of tools which are helpful for us as stand-alone tools as well as in Process Excellence Activities (PEAs).



## When

- In any environment where focus is on continuous improvement
- As part of a DMAIC Process Excellence Activity (PEA)



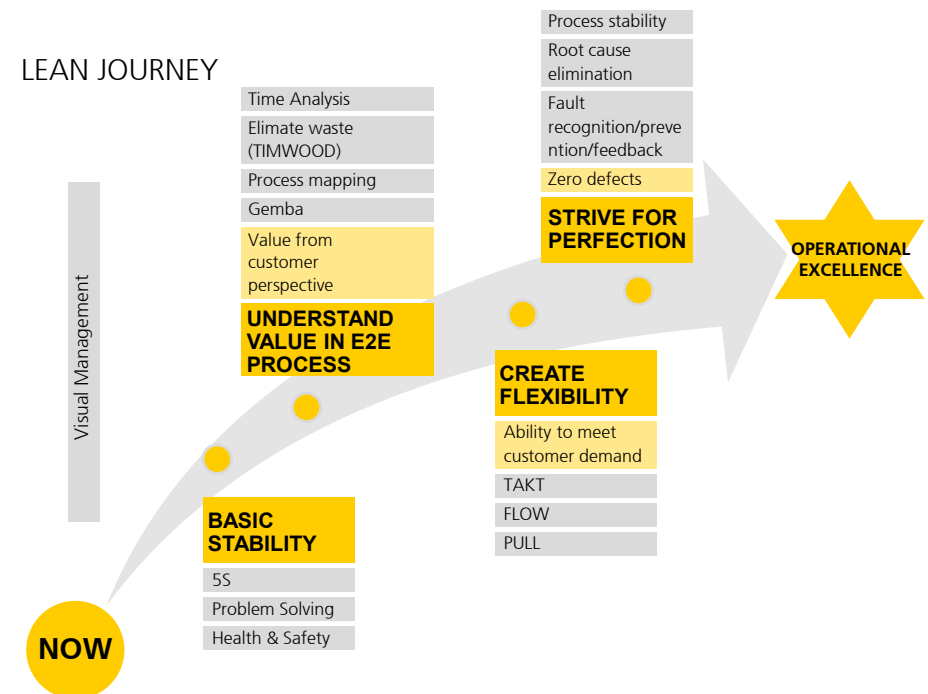
## Steps

- We first need to specify the value: what is it that the customer is paying us for? We can use Value Stream Mapping to map this value stream
- Eliminate waste: eliminating the seven types of waste from our processes. Gemba is a great way to identify waste
- Eliminate inflexibility: we need to be able to meet the varying customer demand, therefore we need to create Flow in our processes and use Pull instead of Push
- Eliminate variability: this is where we work towards perfection by aiming for zero defects and have a high level of standardization

## TIPS & TRICKS

- Lean is a mindset. The tools are important and helpful, but the people are the most important. In a Lean environment, every employee knows their contribution to the value stream and has a mindset of continuous improvement ("what can I improve today?")
- DHL FIRST CHOICE principles are very closely linked to Lean. Examples: Go and see (Gemba), Eliminate Waste, Create transparency for everyone (visualcontrols), etc.

## APPROACH



# TOOLS

DHL First Choice Consultants work with a wide array of First Choice tools. We are highlighting a few important techniques to give you an idea how these could work for a business.





## 5S METHODOLOGY

5S is a team oriented concept for creating and sustaining an efficient, structured, safe and motivating working environment. 5S workplace optimization follows the following 5 steps: Sort – Set in order – Shine – Standardize – Sustain.



### Goals/Benefit

Key benefits of 5S are:

- Improved efficiency, higher productivity, lower cost
- Improved safety and structured working environment
- Better service quality, less failures or problems
- Ready to use equipment, greater employee motivation, standardized work instructions, a clean and structured workplace



### When

- 5S can be one of the improvement areas resulting from FIRST CHOICE self-Assessment
- Can be part of a GEMBA walk as one of the focus topics to observe
- As a stand-alone routine/tool



### Steps

The 5S deployment can be broken down into 3 phases. They are:

#### Phase 1: Implementation

- 1. Sort** – Segregating and prioritizing items into different categories. Remove things you do not need for your daily work.
- 2. Set in order** – Items you need for your daily work are placed at the best location so that they can be found easily & quickly.
- 3. Shine** – Sort and Set-in-order are put into practice. The working environment is kept structured & tidy, as well as ready for use.

#### Phase 2: Embedding

- 4. Standardize** – The outcome of Sort, Set-in-Order and Shine will be set as an agreed standard to be replicated with the help of visuals / pictures.

#### Phase 3: Maintain

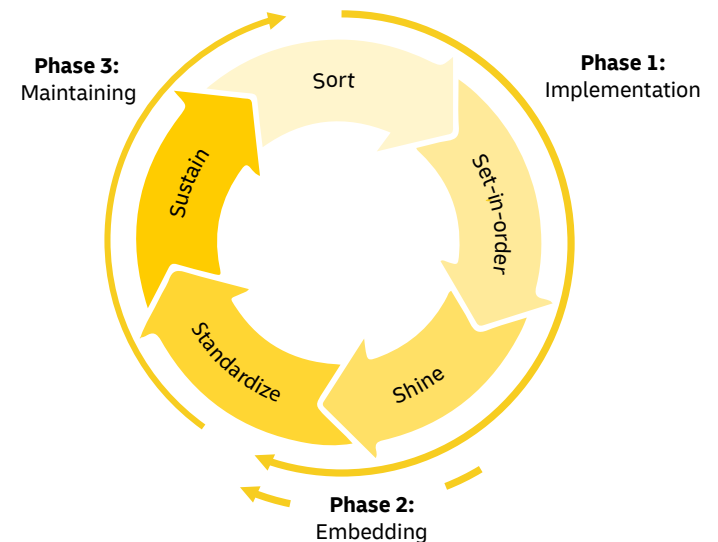
- 5. Sustain** – Structures and routines are put into place to ensure continued practice.

## TIPS & TRICKS

- Set a clear focus on scope, involve stakeholders right from the beginning and include them in decision making
- Setup a 5S board to regularly discuss and update the 5S rules and findings
- Conduct regular Gemba Walk focusing on 5S

## EXAMPLE

### Steps of the 5s methodology



## 5 WHY

5 times why is a method of asking questions in order to get to the real issue. We literally ask at least 5 times “why”, specifically “why is this causing a problem?” related to the issue we are working on.



### Goals/Benefit

When brainstorming on potential root causes, the first idea generated will usually not be the true root cause of our problem. By continuing to ask “why is this causing a problem?” we drill down deeper and find the real reasons why problems occur.



### When

- As a root cause analysis tool
- In the Fishbone analysis



### Steps

1. Focus on one problem at a time
2. Ask: “Why are we having this problem?” You may get more than one answer
3. For each of these answers (one at a time) ask again “why does this issue cause our problem?”
4. Repeat until you are not getting any further and then start on the next answer

## TIPS & TRICKS

Be persistent in using “5 times why” to avoid only scratching the surface: a consequence could be that the real root causes are not identified and problem does not get solved

## EXAMPLE



### Problem:

The Washington Memorial is disintegrating faster than buildings with similar surfaces around it.

#### 1. Why does it disintegrate faster?

It requires more cleaning with harsher chemicals.

#### 2. Why do we use harsher chemicals?

There are a lot of bird droppings on the Washington Memorial.

#### 3. Why are there so many bird droppings?

There a lot of spiders on the Washington Memorial & birds are attracted to the spiders.

#### 4. Why are there lots of spiders?

There are a lot of insects on the Washington Memorial & spiders are attracted to the insects.

#### 5. Why are there lots of insects?

The insects are attracted to the light that illuminates the Washington Memorial at night > **root cause**

### Solution:

Change type of lighting & reduce the amount of time that the lights are switched on.

## DILO (Day In Life Of)

DILO stands for “Day In Life Of” and is used to analyze the share of time team leaders, supervisors and other managers spend on different tasks and processes, especially focusing on leadership tasks vs. operational tasks.



### Goals/Benefit

- Helps managers to get transparency on their work allocation. The underlying idea is that the time spent on leadership is supposed to grow, while time spent on operations and admin tasks is reduced
- The freed up time can then be used to develop and coach their people and drive Continuous Improvement



### When

- During preparation phase on-site and/or before kick-off of the Performance Dialog
- The analysis is conducted individually and collected for 5 days



### Steps

1. Find main tasks and task categories As-Is today
2. Record data for 5 days
3. Consolidate data in a waterfall diagram
4. Analyze data and discuss a To-Be state
5. Define follow-up actions to free up capacities for more leadership tasks to get from As-Is to a future To-Be state

## TIPS & TRICKS

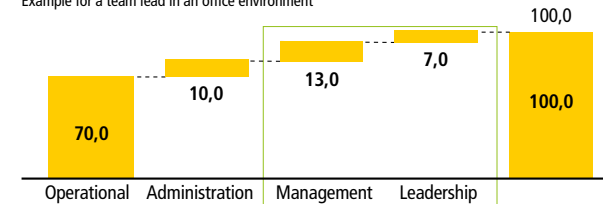
- For the analysis, it is necessary to divide the tasks by operational, administrative, management and leadership tasks (see right)
- Be careful about the detail level, i.e. not too high level, but also should not be too detailed, e.g. exclude tasks in the list which happen only once a month for 10 minutes
- Repeat DILO after 3 months in order to find out if the agreed To-Be state was reached

<b>Operation</b>	<ul style="list-style-type: none"> <li>• Communication (emails, phone conferences etc.) on process/project</li> <li>• Process work like clearance, controlling etc./project work</li> <li>• Advise, consult and provide clarification for business partners</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Administration of personnel (e.g. vacation, sickness)</li> <li>• Build up and deliver reports</li> <li>• Processing emails</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>• Provide tools and standards and check compliance of those</li> <li>• Assess improvement ideas and implement those</li> <li>• Support employees on problems and subject matters</li> <li>• Personnel schedule and capacity management</li> </ul>
<b>Leadership</b>	<ul style="list-style-type: none"> <li>• Team meetings, Performance Dialogs</li> <li>• Meetings for feedback and target agreements</li> <li>• Coaching of employees on different topics</li> <li>• Organize knowledge transfer within the team</li> </ul>

## EXAMPLE

### Distribution of working time (in percentage)

Example for a team lead in an office environment



### Current DILO

High percentage of operational tasks: e. g. work on cases, checking cases, phone calls with sites and service center to solve operative problems, Low percentage of Leadership tasks: e. g. Feedback meetings, coaching of employees

### Future State DILO

Free up capacity for a higher share of Management and Leadership tasks to above 50 % by reducing Operative and Admin tasks

## EFFORT-BENEFIT-MATRIX

Helps us to prioritize, for example which activity to take on first, which solution to implement, by comparing effort and benefit.



### Goals/Benefit

- We cannot do all improvement activities at the same time, and we cannot implement all the solutions we have thought of. Thus the effort benefit matrix helps us to prioritize by comparing efforts and benefits of each idea
- It is an easy tool to show which ideas have the highest benefit and the lowest effort



### When

- When selecting which activity to take on first
- When deciding which solutions to implement



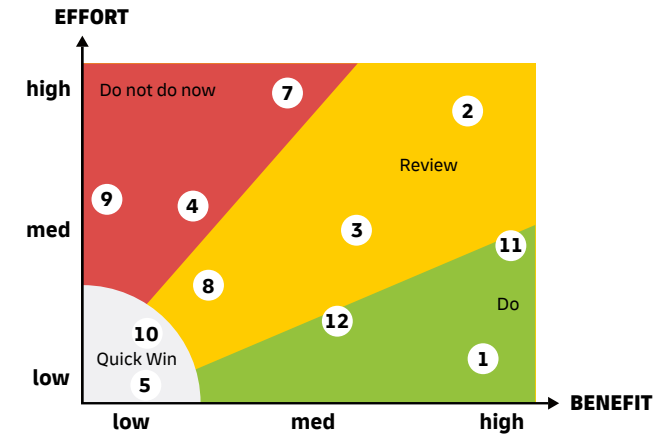
### Steps

1. Score each idea or solution on benefit and effort
2. Use a ranking of 1 to 10, 10 is high benefit or effort
3. Put the ideas/solution on the matrix
4. Then (and not before) divide the matrix in the 4 areas: Quick Wins, Do, Review, Do not do now

## TIPS & TRICKS

- Do not divide the matrix in the 4 areas up front
- It is ok to move the ideas around during the exercise, you are scoring ideas relative to each other
- Look carefully at the quick wins. Even though effort is low, if the benefit is not worth it, you may choose to not do it now
- Decide on what to do with the ideas in the Review section
- Do not delete the ideas in the “do not do now” section. When circumstances change, the ideas might get a different score (example: once this IT system is implemented, the effort will be much less)

## APPROACH



# SPAGHETTI DIAGRAM

A Spaghetti diagram is a process mapping tool that shows the physical flow of a “product” or person. The name refers to the fact that by graphically displaying the flow (in particular, repeated movements between two locations) you get a spaghetti-like picture.



## Goals/Benefit

- The Spaghetti Diagram is very useful to map the “road travelled” by a product or person in a process
- It is used when we see lots of Transportation or Motion in a process (see TIMWOOD). It may point out impractical work layouts and potential for accidents
- Helps to get a common understanding of the process



## When

- Can be done any time we are looking at process improvement
- In DMAIC we map the “As-Is” process in the beginning of the Analyze phase
- In Improve, we map the “To-Be” process



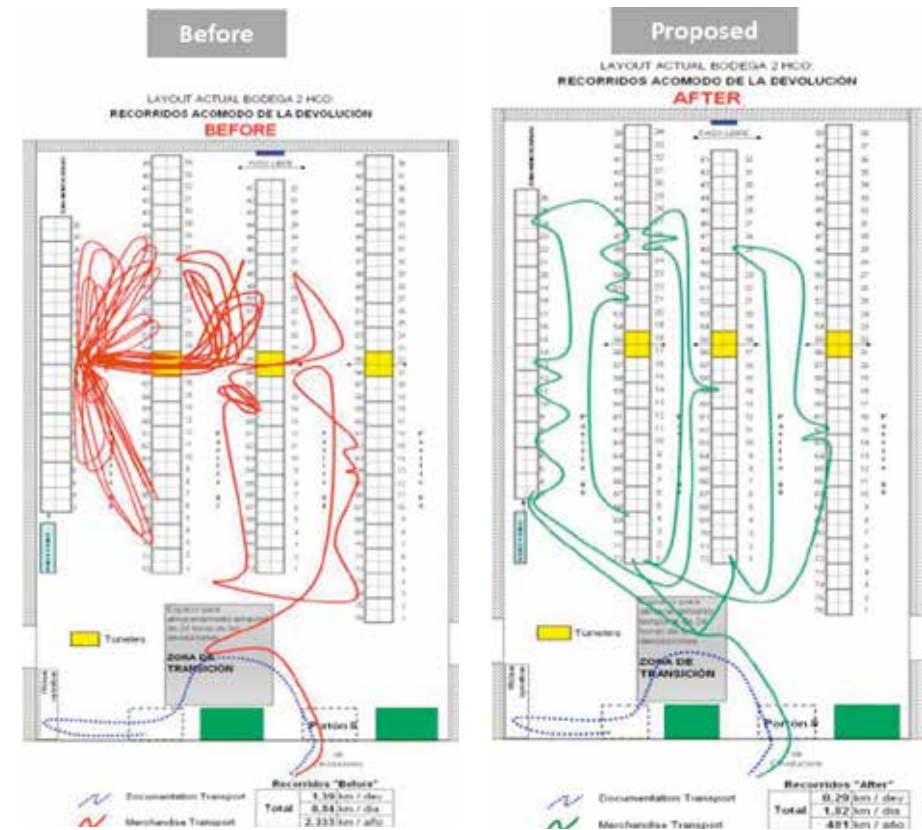
## Steps

1. Identify what it is you are mapping (document, person, part, tool)
2. Draw the physical layout (warehouse, office, etc.)
3. Follow the “thing” through at least one complete cycle of the process and draw this in the diagram. Draw EVERY movement, even if it is repeated
4. Follow several cycles in order to get a representative picture (of the day, the shift, rush hour, whatever is relevant)
5. Add any relevant details such as distance or time

## TIPS & TRICKS

- Use a piece of paper and a pencil

## EXAMPLE





## **MORE INFORMATION**

Would you like to know more about DHL First Choice Consulting? Contact us and talk to one of our experts to discover the possibilities. We will be happy to help!

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