

The authority  
on managing  
the customer  
contact center

# Customer Service

## NEWSLETTER

### Case Study

## DHL bets on service as a point of differentiation

With a new advertising and PR campaign in the works on how service is what differentiates package delivery providers, DHL's service had better be able to live up to claims of superiority.

In fact, according to Karen Jones, DHL's vice president for advertising, brand, and communications, DHL's service advantage was "fertile ground" for exploitation. "Our research showed us that part of the reason people continue to use DHL and stay with DHL is because of the experience they have from a customer service standpoint — seeing that it was a much more flexible, responsive, and accountable company," she says.

To support that claim, DHL's U.S. operation employs 1,800 customer service agents in 13 customer relations centers in the U.S. and one back-office operation in Costa Rica. Agents handle about 100,000 calls per day, and the company's IVR system handles another 60,000 calls per day. The majority of those calls are general customer service questions involving service options or to schedule pickups. A smaller portion involve billing questions or tracking or tracing a package.

DHL uses a universal agent to handle the majority of calls, though

it does have specialized agents handling international shipping and for special large accounts. In addition, for the time being, DHL agents also handle both inbound calls and outbound calls to provide follow-up data to customers on some inquiries.

But it's the details that make the DHL difference.

### Organizing to make a difference

"We're a little bit unique in our call center in that our regular agents on the phone handling the mass of calls are also making outgoing calls to customers," says Mike Sears, vice president of customer relations for DHL. "The way our system is set up, if a customer calls in to track and trace a package, the agent would make calls or email DHL stations where the package may be, and when he obtains the necessary information, the agent calls the customer to pass on that data." In fact, Sears says, the system is set up to ensure that a customer issue stays with the agent who initially took the call. If the customer calls again before the question or issue is resolved, DHL's phone system automatically routes that call back to the

agent. Overall, he says, "our regular agents spend about 15 percent of their time making outbound phone calls."

Even so, the company is looking at the possibility of having that outbound activity handled by a separate group. "Right now the agent is somewhat universal in an inbound/outbound environment," Sears says. "The question is, would you gain some economies of scale and improve service if the agent that's taking the inbound call didn't have to get off and make an outbound call to resolve an issue?"

He also wonders whether grouping that outbound activity in a smaller

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unit might result in more efficient communications with DHL field stations. As it stands, each station could be taking calls from any of the 1,800 DHL service agents.

"A smaller unit that's responsible for making those outbound calls to the stations and then following up with the customer might result in better rapport with the stations and with customers," Sears suggests. He adds: "We're enabling this change from a technology perspective, and we're going to be piloting it pretty soon."

Another interesting detail about

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DHL's service operation is that there's no escalation desk. "Our agents are pretty much empowered to do what they need to do to resolve a customer issue," Sears says. "Escalation is more of an opportunity for the customer to vent, so the call might go to a supervisor or further up the chain, but we don't have an escalation queue set aside. We think we get better response if we can handle it within the actual department." In addition, the agent is going to handle the problem anyway, whether or not the call is passed on to a supervisor, he says.

DHL also does some customer segmentation. Large accounts — the Nikes and other significant customers — are handled by DHL's STAR group to ensure a more personalized level of service. "Each rep in the STAR group has from 10 to 15 customers that they specialize in," Sears says.

That doesn't necessarily mean better service, says Sears, just more personalized service in that these companies have a specific DHL contact person they can call. Service standards for STAR customers and other customers are essentially the same. For instance, "it used to be a STAR standard that 90 percent of calls would be answered within 10 seconds," he says. "Now the standard for all of our customers is 90/10. We felt that we should bring all of our customers up to the STAR level."

DHL reps are also responsible to some degree for sales — both selling DHL in a general way and in booking pickup orders. When customers call in to inquire about rates, delivery options, or locations to which DHL delivers, for example, reps are asked to convert those inquiries into bookings before the customer gets off the phone rather than hoping they will

call back. "A 60 percent conversion rate is our goal," Sears says, "and we're going to be placing more emphasis on that percentage as part of the agent's overall performance."

### **Training empowered reps, and supervisors**

DHL's customer service agents receive four to six weeks of initial training, and on an ongoing basis their schedules allow for "one team meeting per week, one hour of monitoring and feedback per week, and two hours of uptraining per month," says Sears.

Sears doesn't rate one type of training superior to others, but he sees a lot of value in both the one-on-one coaching that goes on in the call center and in the regular staff meetings. "I love to see the supervisor talking to the rep at his desk or off to one side and going over updates, talking about the agent's performance, and that sort of thing. I don't think you can beat it," he says. At the same time, "there's nothing like getting a bunch of reps together at a team meeting and hearing them say, 'Hey, have you gotten this type of call?' Seeing reps helping each other is a glorious thing."

An important focus of DHL's agent training is soft skills — listening, empathy, understanding, and that sort of thing, says Sears. "Time after time we've seen that customers will forgive a mistake by the company if the representative displays empathy and understanding. So we place a high value on those sort of 'high-touch' skills," he says.

Managers and supervisors also receive extensive product training and soft-skills training. In addition, there's a management staff meeting

every week, where managers look for information from supervisors on what's going on at the front lines. "A lot of the input flows up in our organization," says Sears, "what are they hearing, what are they seeing, that sort of thing." Managers are also required to spend one-on-one coaching time with their supervisors on a monthly basis.

Supervisors are also enrolled in what DHL calls its "Empowerment Program" in which they work with the training director to identify opportunities for letting representatives take on even more responsibility, whether by issuing refunds or write-offs or taking the time to call

a field station in order to resolve a customer issue in one call. Empowerment doesn't just happen by mandate, Sears suggests. It has to be supported and reinforced by frontline supervisors. "Rules and limits will stay in place until you put in a program to challenge them," he says.

### **Battling agent attrition**

The one potential glitch on DHL's service horizon is attracting and keeping the right people to take on the role of DHL customer service agent. With the rep's empowered status, responsibility for inbound and outbound calls, and a level of sales responsibility, "we're asking the rep to do more than book a pickup." The hiring profile has changed, Sears says. "We're looking for more of an entrepreneurial type of person, and we have had some difficulty in some areas in finding agents."

Right now, DHL uses its own human resources people to find agents. "They're in the same building in pretty much all of our call centers,

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and we're continually updating the profile and looking at our trends of attrition and at our hiring statistics," Sears says. In fact, the company is looking at the possibility of outsourcing its recruitment and screening process to generate more suitable candidates.

In the meantime, however, Sears is taking aim at rep attrition rates at his call centers. "We don't have a huge retention problem," he says, "but I know that for every point I can shave off the attrition rate, I win. If I reduce my attrition rate, I hit my unit costs, I hit my quality goals, and all that sort of thing."

Some of the steps DHL is taking to reduce agent attrition are to improve its orientation process and to

offer more of a rep career path. One of the things that it learned when it looked more closely at attrition was that most agents were leaving at between one and three months and at the one-year mark. So as part of its orientation now, "new reps are introduced to their supervisor immediately. We have the supervisors into the initial training program to better acclimate the agents. We don't wait for the rep to get out on the floor to learn who their supervisor or their teammates are going to be — or to learn that anybody besides the trainer cares about them."

DHL has also developed a "lateral kind of career path where we move people into different departments at about one year," Sears says. "Maybe

you go to the track and trace area if you've been in customer service, or maybe you move over into the STAR group. So right at the one-year period, when people are getting a little burned out, we try to mix it up a bit for them to keep them interested in what they're doing and in the growth of the company."

In addition to these steps, "I think we do a pretty good job in terms of all the traditional employee morale-building things — celebrations, barbecues, employee of the quarter, and that sort of thing. That's almost baseline in call centers these days, and we execute those types of things pretty well," Sears says. "As the saying goes: If you want to gain weight, go to work in a call center." ■

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