



LOGISTICS AND TRANSPORTATION

DHL and JAGGAER Deliver a Globally Connected Procurement System for the Future

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Customer Profile

With a workforce of more than 500,000 people, a presence in over 220 countries and territories around the globe, and a revenue of €61.6 billion (US\$73 billion) in 2018, Deutsche Post DHL Group (DPDHL) is the leading and largest postal and logistics services provider in the world. Together, its brands represent a unique portfolio of communications (DP) and logistics (DHL) services. It also has the expertise and global network to support its international operations in dialog marketing, press distribution services, and corporate communications solutions. DHL provides

worldwide parcel and e-commerce services including international express deliveries; global freight forwarding by air, sea, road, and rail; warehousing solutions; mail deliveries worldwide; and an inestimable number of customised logistics services.

Challenges

In general, in the world of procurement IT, the large majority of companies have some degree of process automation in place. However, on the strategic sourcing side, automation has been adopted only in part. In terms of their eProcurement solutions, many companies have grown organically with independent IT procurement tools that, while fulfilling the need for automation of a particular silo, do not fill the need for a joined-up approach. To align with its strategic vision of connectedness and to bring the benefits of transparency and common process to both internal and external stakeholders, DPDHL Group decided that a fully integrated suite would be the necessary next step so that all departments globally could communicate on the same platform in the same language.

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Dr. Stefan Zeisel
Head of Regional Procurement,
DPDHL Group





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Dr. Stefan Zeisel, head of regional procurement and in charge of DPDHL Group's largest region, became project sponsor for this transition. "Historically," he said, "we did have tools in place to help us automate each part of our procurement process, but they were fragmented. The new sourcing platform brings us the opportunity to connect data much better and generate new value-adding information for our internal business partners."

The delivery and logistics giant retains its leading industry position through innovation and vision, as well as a core conviction that it is "connectedness" which holds the key to a truly global, yet unified, organization. This confidence in connectedness applies just as much to its business partners and suppliers, chosen wisely to help support strategic goals. This is just one of the reasons why DPDHL Group went with JAGGAER as its strategic partner to develop a fully integrated local, regional, and global modern eProcurement ecosystem, connecting all five key areas of its sourcing business from demand to contract: savings management, spend analysis, supplier relationship management, sourcing, and contract lifecycle management.

The goal for DPDHL Group was clear: to build one integrated SaaS platform to support all eProcurement activity across a global enterprise, replacing their fragmented toolsets while ironing out redundant activity.

Solution

After a rigorous process of testing different providers, DPDHL Group chose JAGGAER to enable a comprehensive platform for its strategic sourcing. Dr. Zeisel said JAGGAER "lined up a toolset for us that matched perfectly the size and shape of our fragmented ones, but pulled them all together; we felt they fully understood our needs."

The logistics giant also sought flexibility in their system, and found JAGGAER solutions to be highly configurable. "Although we are a vast and genuinely global organization, we do see ourselves as one company. Even though we are made up of different regions with different operations, we all want to deliver the same output. Many tools can communicate across international boundaries, but finding a partner with real experience of dealing with a company as global as ours was a real bonus. With a project of this size, it was important to us that staff anywhere around the world could



pick up the phone and speak to someone in their own region, with local knowledge, and have questions answered promptly. This kind of accessibility builds a trusting relationship.”

And it was this trusting relationship that led to a successful implementation of this magnitude; true collaboration, built on acquiring mutual understanding between the two organizations, was key. “In any project, by nature, you cannot foresee everything, and that is why you need a company that brings a ‘spirit of partnership,’” Dr. Zeisel said. “That is what JAGGAER has. It is open-minded and builds a very fair relationship. When things change or problems occur, they adopt a pragmatic and practical approach, and their senior management are just as committed.”

JAGGAER was involved and engaged from the onset: “Having JAGGAER involved in discussions, even from before we signed the contract, meant people would understand the tool and what it could do for us right from the start. The project management was carried out mostly by JAGGAER, but we had lots of opportunity to collaborate through workstreams and steering committee meetings.”

So early in the implementation, it’s hard to put a number on bottom-line benefits, but DPDHL Group is already starting to feel an impact, and feedback has been positive. “I know it’s working,” Dr. Zeisel said, “because people tell me they like using it, and if they didn’t like using it, it wouldn’t be working!”

And from a broader perspective, the system is helping to fulfil some of the overriding strategic goals of the company’s “Strategy 2020: Focus Connect Grow.” The deployment has focused on staff needs; for example, documenting processes is now much easier, and repetitive data fields were made redundant, saving time and effort. This was a significant motivation for the team, and in fact the easiest project to complete was change management, because top management and team members were fully behind the project.

Installing JAGGAER enabled DPDHL to connect the components in one system — worldwide — so everyone had transparency, accessibility, and a common working platform and process. By focusing and connecting, the company took away the redundancy, and this created more space and therefore growth potential increased. Dr. Zeisel said: “We have sourcers who negotiate better with the market now. We believe in giving them ‘deal time’ to build better relationships, but we couldn’t be consistent before; there just wasn’t enough time. Now they can use their time with suppliers much more effectively.”

The Future

DPDHL Group will build on its achievements and seize new opportunities for profitable growth and excellence of service moving forward. Once completely integrated, the massive supplier database will be a cornerstone of the department’s vision for connecting with the market. Easy access to all supplier-related data within the JAGGAER system will bring huge advantages. The ability to search across any dimension, from compliance track records to macroeconomic



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data, will give the company the power of real data to influence decision making.

Rolling out a common system in every region will make collaboration a reality, further supporting the internal exchange of knowledge, language, and expertise that builds a more effective purchasing operation. The decision to implement all five components has placed DPDHL Group squarely at the forefront of the industry. "We are part of a broad network of other Fortune 500 companies in Germany," Dr. Zeisel said, "and I can say that when we started out on this journey we were already quite far ahead in terms of strategic IT development.

"Recent research shows that while one in every two companies is using one of these tools, having implemented more than one is quite unusual, while utilizing all five is very rare.

"This implementation has placed us ahead of the pack, building local, regional, and global modern processes while benchmarking costs across other companies. Few companies can do it all."

But thanks to JAGGAER, DPDHL Group can.

Americas

+1 919 659 2600
sales@jaggaer.com

Europe

+43 1 80 490 80
dach_sales@jaggaer.com

MEA

+9714 360 1300
info-mena@jaggaer.com

APAC

+61 (2) 8072 0644
apac_sales@jaggaer.com

