

### DHL AFRICA

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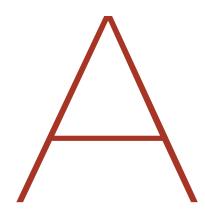




## World class standards

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As Alan Swaby learns, there's precious little allowance for Africa's regional differences or difficulties when it comes to the performance expectations of multi-national customers



t the time, there must have been a few observers who thought that Dalsey, Hillblom and Lynn's new business venture was a little on the crazy side. Their idea was to fly freight bills from San Francisco to Honolulu, ahead of the ships and their cargo on that route. By getting documents there early and in plenty of time for them to be processed, the theory was that customs clearance would be dramatically speeded up.

This was the first appearance of the DHL brand in 1969 and the first time they were proved right. The three might have started off in a makeshift way, using a credit card to pay for the flights and sharing a single car to dash around San Francisco generating business and collecting consignments but they were onto something big. Not only did they spawn the courier business but they were the first to take it internationally.

The first signs of expansion for DHL were understandably around the Pacific Rim; but within just 10 years, the business had arrived in South Africa, from where it has now spread throughout every sub-Saharan country. "We do have domestic business," explains Michael Druce, managing director of DHL Express, "but frankly it's an area with very low entry barriers and there is no shortage of domestic courier services—especially in South Africa. It's a completely different story when operating internationally. Here the barriers are much higher and the challenges much greater, especially if you are trying to provide multinational clients with the same level of service they'd expect in their own countries."





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With a 35-plus per cent share of the South African market, DHL's client list is a who's who of international trade. The country remains a picture of stability compared with many neighbours; nevertheless, the past five years have seen a sea change in the way the continent is perceived, with the business community now much more ready to invest in Africa and the pace gaining year-on-year.

The real growth in Africa as a whole is being driven by the mining and oil industries which are now more comfortable with the risk-versus-reward balance. But hot on their heels are retailers the likes of Walmart and other service industries

# doubt that better telecommunications have changed the mix of items we carry ""

wanting a piece of the growing affluence middle class Africans now have.

DHL Express is one of three business units—each with its own management team. It's in a price sensitive and competitive market moving anything from medicines to mining equipment—sometimes in nice neat parcels but often in more unusual configurations, as was the case when DHL was called on to transport an overgrown pet lion cub from Lebanon to a sanctuary in South Africa.

"There's no doubt," says Druce, "that better telecommunications have changed the mix of items we carry. Many of the company documents that were once a staple of our business are now shipped around the world electronically. But while communications might have reduced

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the volume of some items, it has more than compensated by attracting new business into previously neglected regions."

In this respect, DHL likes to see itself as an enabler—being ready and waiting in a country when new businesses want to set up there. It prides itself as being the first in and last out of trouble zones, and quotes the recent experiences in Libya as an example.

Like actors and authors, couriers are only as good as the last job they did. And as anyone who has travelled extensively in Africa will know, relying on public transport and infrastructure is bound to mean disappointment at some stage. Providing a reliable level of service requires that DHL divorces itself from commercial airlines and airport infrastructure. "At some airports," says Druce, who has had years of experience in other

## 16 The only way for us to be in control is to have our own aircraft and our own ground facilities within airports 33

African countries before arriving in South Africa, "taking off on time or finding your luggage at the end of a journey is in the lap of the gods. The only way for us to be in control is to have our own aircraft and our own ground facilities within airports. Significant investments such as this are vital if we are to retain our overall top position in the business."

The other vital ingredient is suitably selected and trained staff. Since 2001, DHL has been owned in its entirety by Germany's Deutsche

Post and it's not difficult to imagine the difference in cultural attitudes between the precision and punctuality normally associated with Germans and the more flexible timekeeping other parts of the world are often known for.

In South Africa, DHL has a little over 800 on the payroll—a drop in the ocean compared with the quarter of a million employees worldwide. But with the introduction of the CIS (Certified International Specialist) programme, DHL is on track to put 100,000 of its employees through a



rigorous training programme aimed at instilling the same work ethic and ability to serve customers, regardless of location.

In Africa, more than 3,200 employees are going through the scheme, which comprises an entry module detailing the company ethos and expectations before more specific training depending on the role at hand. From the managing director downwards, employees carry a passport stamped with the modules they have passed, making it much easier to maintain consistent standards and providing greater flexibility for staff to move around within the organisation.

Maintaining high standards such as these means that staff turnover in certain areas can

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be significant as recruits fall by the wayside or fail to meet the grade. Once trained, staff are much more highly skilled and in areas of low unemployment, are often the target of poaching by other businesses. "Despite being a very large global organisation, with operations in more than 220 countries worldwide," says Druce, "we put the customer and our employees at the centre of everything we do and the managers stay very hands-on—motivated people, great service quality and loyal customers is what it is all about."

Growth in Africa has been running at double digit level for many years, and with DHL's corporate ambitions and resources, it's difficult to imagine that this is going to change.

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