The DSV Customer Experience Programme
- Our journey towards reduced customer churn

CX Forum
May 2019, Köln
Personal journey within CX - highlights
A closed-loop experience

2004

2009

2014

2019

what are other words for power struggle?

politics, opportunism, realpolitik, machinations, tussle, internal strife, infighting, tug of war
Three key topics for this session

- Implementation and anchoring of a global enterprise CX programme
- Build the business case and focus on behaviour in frontline
- Cutting through the ML/AI hype: Predictive churn warning
Three product divisions working together to support the entire supply chain of our customers

DSV Air & Sea
- Access to all markets through our global network
- Annual ocean freight volume of more than 1.3 million TEU
- Annual airfreight volume of close to 600,000 tonnes
- FCL/LCL and project transports
- Special competencies in key industries e.g. automotive, renewable energy

DSV Road
- Road freight services in Europe, North America and Africa
- More than 20,000 trucks on the road every day
- Groupage and LTL/FTL services
- Special competencies in key industries, e.g. automotive, retail

DSV Solutions
- Contract logistics services worldwide
- 400 logistics facilities – a total of 5 million m2
- Special competences in key industries, e.g. automotive, healthcare, consumer products
- Solutions for E-commerce
Competitive landscape – consolidation is on-going

Global top 20 freight forwarders based on 2017 revenue (billion USD)

1. DHL Logistics (DE) - 30.8
2. Kuehne + Nagel (CH)
3. DB Schenker (DE)
4. C. H. Robinson (US)
5. DSV (DK)
6. XPO Logistics (US)
7. UPS (US)
8. CEVA Logistics (NL)
9. Expeditors (US)
10. J. B. Hunt (US)
11. Dachser (DE)
12. Sinotrans (CN)
13. SNCF Geodis (FR)
14. Panalpina (CH)
15. Kimatsu (JP)
16. Gefco (FR)
17. Yusen Logistics (JP)
18. Rhenus & Co. (DE)
19. Hub Group (US)
20. Agility Logistics (KW)

Source: Journal of Commerce, April 2018, DSV estimates
The CX Programme supports the DSV Strategy

- **CUSTOMERS**
  - Customer Success Programme
  - myDSV – new digital platform

- **ORGANISATION**
  - Maintain a flat organisation with strong local ownership
  - Further development of shared service centres

- **HUMAN RESOURCES**
  - Developing our global HR organisation
  - DSV Academy – education and talent programmes

- **GROWTH**
  - Targeting growth above market
  - Active M&A strategy

- **PROCESSES AND IT**
  - UTI integration
  - Cargolink Way Forward – new transport management system for Road

Strategic focus areas and selected initiatives
Anchoring the programme at the country strategic level

Aims for the largest global business challenge linked to churn
- Global business challenges / opportunities
- Long term solution – Global Strategy input
- Complex / Cross functional
- Will lead to- or support an existing global project

Aims for the largest country challenge linked to churn
- Country challenges / opportunities
- Mid/long term solution – country strategic plans
- Semi complex / cross functional
- Requires some effort to address

Aims for the largest individual customer challenge linked to churn
- Immediate customer follow-up
- 1:1 effort
- Owned locally through the CX Programme
- Anchored in the business with no add headcount
CX programme roll-out template to cater for fast implementation – yet being close to the organisation

**Pre-launch**
(6 week before go-live)
- Intro/mobilize
- Roles/responsibilities
- Pre-launch local task
- MaritzCX configuring
- Local on-boarding workshop
- Adoption
- eLearning of MaritzCX
- Communication
- Go-live test

**Go-live**
(At go-live)
- Surveys out twice per week
- Weekly “CARE” calls – first four week
- First time experience
- Customer story
- MaritzCX dashboards

**Post-launch**
(1 month after go-live)
- Monthly CX updates
- Best practice sharing sessions
- Internal communication
- Customer cases
- CX tool box
The potential of our CX Programme became evident from the very beginning
Executive Sponsors “walking the talk”
Regularly activating the CEO as sponsor
“Put your customers first – and go the extra mile”

22 September 2017

Who pays your salary?

A while ago, I was a guest at The Westin hotel in New Jersey. Upon entering my room, my eye caught a note, a bottle of wine and a red carpet. “Congratulations on being our VIP guest of the day... You deserve the Red Carpet treatment,” the note read.

I know it’s a “cheap” trick, but it worked, especially since they had actually rolled out a red carpet in my room. It made me feel special – like they cared about my experience as a guest.
Ensuring internal visibility from sponsor and local “programme promoters”

“We actually thought that our customer relationships were healthy and that we had a solid base for organic growth. But we quickly learned that one of our largest customers saw things differently,“

Miroslav
Country Sales Director
DSV Lithuania

“We were already suffering from some change fatigue locally, but this was by far the most easy to implement project thanks to the Global team”

Jurkka
Country Sales Director
DSV Finland

“Recently, I received an email from a business partner who was very impressed with our personal follow-up on what he thought was a routine sign-up for a newsletter. Within ten minutes of responding, his phone rang: DSV calling to find out if the company had any transport needs? He wrote me that it was one of the most efficient and charming sales efforts he had ever encountered. In my latest update, I was the one who couldn’t stop smiling (still smiling btw); this time, it was the business partner who was smiling.”

Jens Bjørn Andersen
Group CEO, DSV
Our customers’ purchase behavior indicate potential for growing our business through increase in NPS.

Not at all likely

Extremely likely

Source: CXP June 2014 – June 2015. N = 4,174, differences are significant at CI = 99%. * Avg customers in the CXP.
The Customer closed-loop to reduce churn and improve share of wallet

Automated and scalable to cater for a global organisational implementation

1. Survey invitation via e-mail

2. Customer answer into:
   1. MaritzCX
   2. Salesforce (via standard app)

Customer response case created

DSV Account Owner

Appropriate actions depending on customer type, feedback and other data

FOLLOW-UP
- 48 hours
- 5 days

Customer

ESCALATION
Immediate Manager
Increase in customer loyalty due to the follow-up activities
People and their behaviour makes the difference – not the numbers

• Question: Do customer follow-up improve the NPS?

• “High performing group” – overall loyalty index increased to 103

• Shift in customer loyalty levels based on frontline behavior

• NPS gap of +25 points

• 6 out of 10 customers received follow-up….back then

* Difference is significant at CI = 99%
** Differences are not statistically significant, so the opposite could be the case
Customer case I
Fast follow-up by local organisation secured 40% additional business - within same week

"Good service, competent staff and good geographical coverage"

Karen Søgaard
Karema Food
Denmark Road
Turnover: DKK 1.000.000
April 2015

Follow-up dialogue with Karen:

• Thanked Karen for the positive feedback and probed for business

• Domestic business of DKK 400.000 landed – increase of 40%

• Follow-up and new agreement done within one week after survey response
Customer case II

Closed loop experience identified a simple need for self-service

Follow-up dialogue with Bjarne:

• Bjarne was in the process of finding a new supplier
• Call was done and a meeting schedule
• Plan for on-boarded customer to online solution agreed

"No reaction from our Sales Consultant when we ask for a meeting”

Bjarne Kragh
Fr. Petersen Maskinfabrik A/S
Denmark Road
Turnover: DKK 100,000

DETRACTOR (3)
Customer case III
German customer – taking customers’ feedback seriously and act on it

"The functionalities of German E-Booking are not enabled to support our agreed setup”

Mr. Reiffenberg
*Company name not disclosed*
Germany Road
Turnover: EUR 140.000

Follow-up dialogue with Mr. Reiffenberg:

• Discussed processes with customer to understand gap performance
• Involved our customer service team to find a solution
• Enabled additional online training and support
• Regular follow-up meetings established

Passive (8)
January 2015

Annual turnover:
(as of 1 May 2019)
EUR 190.000

Germany Road
Turnover: EUR 140.000

*Company name not disclosed*
Anchoring the programme at the country strategic level

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MAKE IT COUNT - summary
Tool box - Customer Experience Team

Monthly dashboards (part of CXP)

Customer Insights reports (part of CXP)

NPS in Country Managers Scorecard

Country deep-dives

Customer Defection Forecast

Customer Service framework / CRM for Customer Service
Anchoring the programme at the country strategic level

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Global initiatives:
- Customer Service re-vitalization
- Advanced analytics prioritized (several initiatives running)
- Customer retention “Early Warning” system implemented
- CX anchored with Executive Leadership Team
Three key topics for this session

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WHY: Addressing customer churn to grow further

Support the DSV growth ambition

- Customer retention recognised as an opportunity for further organic growth
- Effective handling of many SME customers is a challenge
- Improve the support tools to the business

Applying Predictive Analytics to “work smarter”

- Support DSVs position of being an Operational Excellent organisation
- Supply the organisation with an effective tool to handle many customers
- Cater for differences across countries

Potential to optimize our business*

- Economic potential in retention of existing customers better economic value
- An opportunity for further optimization
- It simply makes sense

* Harvard Business Review [link]: “The Value of Keeping the Right Customers”
A weekly list for account owners of customers that are showing early signs of leaving DSV.

78 types of customer-related data are run through an algorithm that provides the list.

More than 4 out of 5 predictions are accurate.

The list helps prioritise which customers to pay extra attention to.

Improving the relationship with an at-risk customer can help retain business.

Pilot test have retained more than 200 customers.

Significantly improved customer retention in target groups.

Subsequent increase in turnover from retained customers.
How: Sharing weekly “churn leads” to be pro-active

A standardised weekly work cycle defined

- Weekly cycle resonates well with the local organisations
- Leaves sufficient time to act locally and report back
- Must be locally owned/anchored

SLA:
- Local lead
- Reporting is required

Feedback reporting to enable benefit tracking

- Reporting improves quality of “churn risks”
- Enables benefit tracking to document results
- Results are assessed and shared with global and local organisations

95% Complete reporting

There are certain limitations

- Limitations are – as always – due to data quality
- Not all customers’ intentions are materialised in data
- It’s a statistical model – not a mind-reading tool

“Predictability is not how things will go, but how they can go.”
A few screen shots from CRM
Make it simple and de-mystify the “back box” stuff

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<th>Suggested Assignee</th>
<th>Prediction Date</th>
<th>Predicted Risk</th>
<th>Email Remarks</th>
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**Feedback Category**
- None
- High
- Low

**Retention Time Speed**
- Monitor
- No issue - NFA
- Seasonal & Spot
- Lost
- Retained
- Retention Action Established
- Structural
- Not In Scope
- Not Attended Locally
- Monitor - High Risk
- Lost - Desired
CX Programme - Do’s and don’ts

- Tap into the company DNA
- Create the financial link to NPS
- Find your “allies” and be aware that they are the heroes, soul and spirit of the CX programme – not you!
- KPIs on behaviour – then NPS and $ will follow
- Visibility and patience
- Team composition

- Avoid early discussions on ROI – it is a journey
- Implementing CX top-down? Make sure that you don’t run anybody over internally – they are your customers
- NPS targets can lead to wrong behavioural change
- Carefully consider "claiming fame"
Thanks for your attention
The DSV CX rock stars

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