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## Parcelforce brief

### Introduction

Parcelforce Worldwide handles 200,000 parcels a day. It is part of the Royal Mail Group. It has over 30,000 business customers. It works in two markets:

- business-to-business (B2B) and
- business-to-consumer (B2C).

In 2002, the Parcelforce business was making a loss. New rivals had set up. Parcelforce needed to compete. It changed the focus of its service. It reduced its focus on volume and offered increased value. Knowing when a parcel will arrive is valuable to many customers. Parcelforce now provides guaranteed delivery times. Improvements came from training staff and giving more power to managers at a local level.

### Business strategy

Businesses set targets so they can improve. Aims are targets for the long term. Objectives are targets for the shorter term. These help the business to plan. A strategy is a set of plans. Parcelforce has strategies for:

- operations - to be more efficient
- promotions - to increase its brand strength
- growth - to expand into new markets.

It has to think about factors that may affect the business over which it has no control. These are called external factors.

### Customer service

Parcelforce is in the tertiary, or service, sector. One way to compete in this sector is through high-quality customer service. This helps Parcelforce to gain and retain customers. The key parts of its service are:

- on-time deliveries
- online tracking so customers can follow parcels
- problems are quickly dealt with.

Parcelforce understands that its customers are more diverse. Staff are shown how to meet individual customer needs. For instance,

- drivers write delivery cards so that they can read by people with poor sight or by those who have English as a second language
- customer service staff learn the best ways to help customers with disabilities.

Parcelforce also realised that customers cared about how it handled its corporate social responsibilities. It is working to:

- reduce its carbon footprint
- support education
- ensure all customers can access all services.

### Implementation

Parcelforce carried out a gap analysis to find out what it needed to do to improve. This looks at where the business is now, where it wants to be and how to close the gap between the two. It found six key areas where it needed to improve its customer focus:

1. Deliveries . on time, with clear documentation
2. Re-deliveries . providing clear procedures
3. Collections from customers . providing a timely service
4. Tracking . an online service for customer convenience
5. Customer contact . providing help by web or by phone



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6. Claims - making it easy for people to claim if things go wrong.

## **Evaluation**

Research shows that it costs five times as much to gain a new customer than to keep one. Parcelforce therefore focuses on keeping its customers. It measures progress using Key Performance Indicators (KPIs). It reports performance in the business areas of finance, process, customer satisfaction and staff opinion.

## **Conclusion**

Many firms compete in the parcel delivery market. Parcelforce differentiates its business by delivering high-quality customer service.