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Parcelforce summary

Introduction

Parcelforce Worldwide is part of Royal Mail Group. It has over 30,000 business customers and handles 200,000 parcels a day. It operates both business-to-business (B2B) and business-to-consumer (B2C) services. It competes in a free market, so must find ways to compete effectively. In 2002, Parcelforce was making a loss, so decided to change the type of service it offered to focus on increased value, rather than volume and to aim for guaranteed time and day deliveries. As a result, the business became more efficient. It also aimed to make employees more efficient and introduced a more decentralised approach to management, giving local depot managers more power.

Business strategy

Businesses set themselves targets of long-term aims and shorter-term objectives. These help to inform the business strategy, or plans. Parcelforce has strategies about:

- operations . to improve efficiency
- promotions . increasing its brand strength
- growth . expanding the business into new markets.

It also has to consider external factors. These are influences over which it may have no control.

Customer service

In the tertiary sector, where Parcelforce operates, good customer service is vital and quality service is one way to gain competitive advantage. It helps Parcelforce to both gain and retain customers. The key parts of this service are:

- time . making sure deliveries are on time
- visibility . on line tracking lets customers follow parcels
- after-sales service . any problems are efficiently dealt with.

Customers form a more diverse group than ever. Drivers must write delivery cards so that they can read by people with poor sight or who have English as a second language. Staff also learn the best ways to communicate with customers with disabilities. The company also asks its customers what they want from the service. It found that customers were concerned about the environment. Parcelforce takes its corporate social responsibilities seriously. It provides benefits for employees, customers and the communities in which it works in various ways, including:

- reducing its carbon footprint
- involvement in education
- ensuring all customers can access all services.

Implementation

The business undertook a gap analysis to improve the business. This looks at where the business is now, where it wants to be and how to close the gap between the two. As a result, Parcelforce identified six key areas where customer service was most important and defined best practice in each area:

- Deliveries . on time, with clear documentation
- Re-deliveries . providing clear procedures
- Collections from customers . providing a timely service with documentation
- Tracking) . an online service
- Customer contact . providing help by web or by telephone
- 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 customer than to retain one. Parcelforce therefore



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concentrates on keeping its customers. It measures performance using Key Performance Indicators (KPIs) in the areas of finance, process, customer satisfaction and employees.

Conclusion

The parcel delivery market is highly competitive. Parcelforce differentiates itself by providing high-quality service and customer care.