

A CLOSER LO

DHL EXPRESS, BONN, GERMANY



OK

A shipping giant delivers cost-cutting results with a dash of creativity.

PHOTOS BY DOMINIK KETZ

Lina Greenberg, PMP, sees the light at the end of the tunnel—and she's getting ready for it.

As the global head of service level management at DHL Express, Ms. Greenberg is well aware that the global delivery giant, like most big companies, is facing tough times. Yes, business is slower. And yes, budgets are tight. But instead of wallowing in pessimism, she's leveraging the current situation to streamline the way the company selects and manages IT projects.

"It is not a time to panic," she says. "It is a time to carefully assess the current economic situation, boost our creativity and position ourselves to beat the competition when the economy turns around."

To do that, Ms. Greenberg and a global team of regional IT project managers and executives are taking a good, long look at all current and prospective projects—with an emphasis on the bottom line.

"We are living and breathing cost reduction, which goes against my profession," she says. "Normally my focus is to build things, but right now we are focused on managing costs more efficiently so that in the future we will have the budget to do what we want to do."

NEW VIEW

When the economy began its downward spiral in late 2008, DHL started evaluating its project portfolio through a new lens. The company's project portfolio review board of executives from across the enterprise decided all projects had to meet the following criteria:

- Deliver ROI in 2009
- Be mission-critical to running the business
- Address government or regulatory issues required to keep the business operational

Lina Greenberg, PMP,
DHL Express



“In tough times, con- ditions because

control over what gets to production,” Ms. Greenberg says. “If you have a well-defined structure for approving projects, only the most relevant projects move forward.”

Some of those “relevant” projects include virtualization programs that cut costs and a new invoicing system aimed at delivering greater productivity while addressing compliance issues.

BEYOND THE BUDGET

Even the projects that manage to survive the review process must endure close scrutiny as they progress. The board must now approve every budget increase, for instance.

“In tough times, control mechanisms are more important than under normal conditions because you have to have more scrutiny around your investments,” Ms. Greenberg says.

And the reviews go beyond meeting budgets and deadlines to drawing clear connections between strategic business goals and the IT department, adds Mr. Morlan.

“Now the groups reviewing projects are from the business side,” he explains. “Executives come with business goals that they need to meet and evaluate projects based on those needs.”

Project plans have been amended to include milestones built around those business goals, and frequent reviews are conducted at various stages of every project. The new process is aimed at ensuring the anticipated benefits at each stage are being delivered, instead of waiting until the end of the project to evaluate its success.

“If the goal is to realize benefits incrementally throughout the project and if that’s not happening, we will stop the project to assess what’s going on,” Mr. Morlan says. “This new review process keeps the project

“If the goal is to realize benefits incrementally throughout the project and if that’s not happening, we will stop the project to assess what’s going on.”

—Conrado Morlan, PMP, PgMP, DHL Express, Dallas, Texas, USA

“Every project in our portfolio was reviewed one-by-one and if they met the organizational goals, they were continued,” says Conrado Morlan, PMP, PgMP, regional project manager and portfolio project manager for DHL Express in Dallas, Texas, USA.

The approach meant some projects were going to get shelved, of course.

The casualty list included a global license management application with no tangible short-term ROI.

“The projects that were cut were good projects, but they’ve been stopped until the good times return,” he says.

The new review approach allows DHL to reduce its budget, which in turn lets the company concentrate on the projects that deliver the best results.

“There has to be a formal process for portfolio review, otherwise you have no

control mechanisms are more important than under normal conditions. You have to have more scrutiny around your investments.”

—Lina Greenberg, PMP

team aligned with the organizational goals, not just focused on delivery.”

DHL project managers and team members on the ground are also looking for ways to improve efficiencies. That applies to individual projects and teams as well as efforts that span the 220 countries and territories worldwide where the company has offices.

For example, during biweekly teleconferences, service-level project team leaders from every region connect with Ms. Greenberg to discuss ongoing projects and problems, as well as to brainstorm solutions.

“It’s a roundtable meeting that helps us identify best practices,” she says.

The push to trim expenses is one obvious area of discussion. Across the company, there has been a concerted effort to meet aggressive budget targets within supplier contracts. When the subject came up during a meeting, Ms. Greenberg agreed to establish herself as a single point of contact, rather than forcing each regional leader to negotiate with suppliers individually.

“It streamlines the communication and cost-cutting process,” she says.

DHL regional offices don’t have to invest their own time and resources. And for Ms. Greenberg, it’s an opportunity to add quantifiable value to the business, a plus in this economy. “If I don’t add value, then I’m just overhead,” she says.

The collaborative approach also allows teams to share tools and techniques, including new, low-cost forecasting software developed by one of the regional offices.

“Sharing this tool from a global level creates consistent reporting and tracking across regions, and it helps our project managers improve their forecasting

with only a very small investment,” Ms. Greenberg says.

Despite the company’s efforts, it has had to lay off or reassign some employees, Mr. Morlan says. But eliminating low-priority projects has allowed DHL to redirect valuable resources to the projects that *are* moving forward.

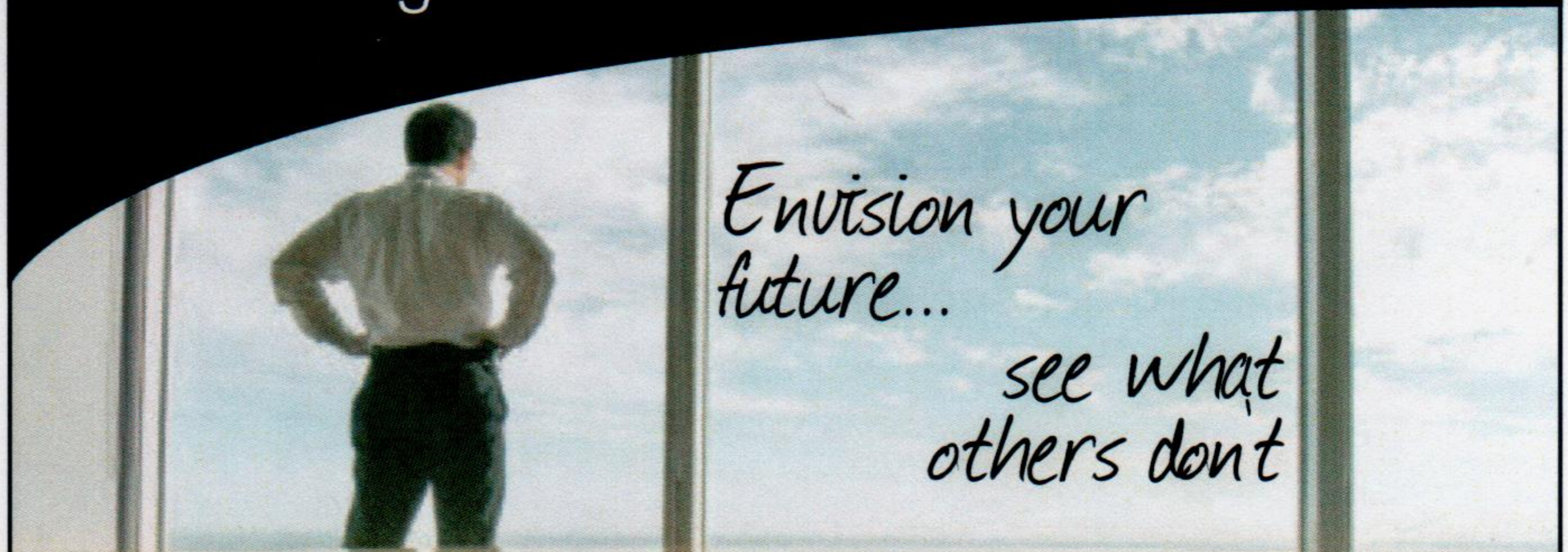
“It enables us to reap the benefits of those projects in a shorter time,” he adds.

In many cases, the cutbacks in IT projects have given DHL project teams the time to re-evaluate their processes and to proactively address issues they might not have previously had the time to consider.

For DHL, there just may be an upside to the downturn.

“We believe we can come out of this economic storm stronger than we were before,” Ms. Greenberg says. —Sarah Fister Gale

MOUNT ROYAL Continuing Education



Project Management & Applied Project Management

Extension Certificates

Earn a Project Management Certificate, classroom or online programs available. Curriculum based on *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*

The **Applied Project Management Extension Certificate** has been designed for Project Management Professionals (PMP®s) and graduates of the Project Management program who work in complex project environments and wish to further develop their project management skills.



PMP, PMBOK and the PMI Registered Education Provider logo are registered trademarks of the Project Management Institute, Inc.

Information: 403.440.8937 or Toll-free 1.888.392.3655 or E-mail cebusiness@mtroyal.ca

<http://conted.mtroyal.ca/projectmanagement>

