



WESTERLAND DORTMUND KIEL

STRALSUND

RÜGEN ST. PAULI NIPPES COTTBUS

PRENZLAUER BERG JENA

POTSDAM KOESCHING INGOLSTADT SCHWABING

FÜRSTENFELDBRUCK

BADEN-BADEN MAGDEBURG WEIMAR

FRANKFURT CENTRAL STATION



SAARBRÜCKEN CHEMNITZ ERFURT

NEUE WAHR SÜD

ESCHBORN STARNBERG GUSTROW

WILLINGEN-SCHWENNINGEN

ALTENESSEN NORTH KAISERSLAUTERN KASSEL

LÜBECK HALLE BAYREUTH

MARBURG KAUFBEUREN GÖTTINGEN

KONSTANZ STUTTGART HEILBRONN

National coverage:  
ParcelShops in Germany

# COMPETENT TO THE LAST METRE

Hermes Logistik Gruppe Deutschland (HLGD) is the largest private logistics operator for deliveries to the final customer – thanks to the commitment of more than 14,000 Hermes ParcelShop operators and around 13,000 delivery agents

If you enjoy playing the lottery or want to learn something about Hermes, Arno Sieck's Lotto & Toto shop is the place to go. This small business in a Hamburg suburb is one of Hermes' 14,000 ParcelShops in Germany – in large cities, you are never more than 600 metres or so from one. Hermes is thus literally always in your neighbourhood. The extended opening hours of many ParcelShops are particularly suited to working people.

"Individual traders are the public image and face of Hermes," says Frank Iden, Chairman of the Board of Hermes Logistik Gruppe Deutschland.

Iden of course means this in a figurative sense. Many customers encounter Hermes for the first time in a ParcelShop. The many people working in its ParcelShops are ambassadors for the Hermes brand. Just like the 13,000 plus delivery agents who

deliver consignments "to the last mile", as the logistics sector likes to call the last part of the journey to the final customer.

The contact with the customer is like a blind date: first impressions count.

The face of Hermes is smiling in this particular suburb of Hamburg. "Good morning," says Arno Sieck. "How can I help you?" With him, handing over a package or parcel lasts barely more than a minute. But there's always time for a chat when he is scanning and cashing up. He's like a friend; many customers have been buying newspapers and cigarettes and handing in or collecting parcels at Sieck's shop for years.

When Hermes began to set up a nationwide network of ParcelShops in 1999 and was looking for partners, Sieck was one of the first to come

forward. In those days, the service was limited to receiving return deliveries for OTTO. From 2003, private customers were able to send and collect packages from a ParcelShop. Newsagents, petrol stations, dry cleaners, bakeries and off licences now make up Europe's largest national network of drop-off points for private packages. Up to 300,000 consignments are processed by them daily.

## Up to 1.5 million customer contacts – every day

HLGD has grown from being the logistics wing of the Otto Group to a parcel service used not only by Otto Group companies but also by many other well-known mail-order companies, the German Railways, power sellers such as eBay and hundreds of thousands of private customers.

One in three parcels addressed to consumers is currently delivered by Hermes. Consignments are collected, sorted and dispatched throughout Germany in four regions and 12 zones and with the help of six central hubs, 59 branches and around 400 depots or support points.

However important the management of logistical processes is, what really matters when sending parcels and packages are people. HLGD works with partners to deliver goods (see page 164). It employs an annual average of some 13,000 delivery agents. Every day there are about 1.5 million contacts with people at their front door – 1.5 opportunities to leave customers with a good impression of Hermes.

Delivering parcels is a responsible job which requires a high degree of customer orientation. Recipients ultimately expect quick delivery. And

Hermes meets a high standard of quality: in Germany it promises to make four delivery attempts free of charge, including on Saturday – a service which none of its rivals offers.

99% of all deliveries are successful. However, sometimes the delivery agent is left standing in front of a closed door – the recipient is out and there is no neighbour around. How can the customer best be reached?

For some time now, delivering packages on time has not been HLGD's only job. Informing customers promptly and communicating with them is becoming more and more important and complex. Frank Iden outlines some of the challenges: "Many people in Germany now live alone, and many working people are not at home during the day. This means that we have to find flexible solutions so that our customers can

## IT'S HERE!

Ordered only 24 hours ago, the parcel with your new dress has arrived. One of Hermes's 13,000 delivery agents brings it to your front door. The contact between him and the customer lasts on average one minute – but that's enough for a smile.



receive their parcel at the place where they are actually situated.”

### Hermes again? Yes please!

Smartphones and tablet computers have created a situation in which people are online everywhere. Somebody who can always be reached also expects to be reached everywhere. “We have to inform the recipient by text that his package is arriving in two hours,” says Iden.

“Otherwise we have to agree an alternative delivery address.”

Social networks such as Twitter also influence the relationship between Hermes and its customers. Transport has hardly changed, but communication channels have. Enquiries are tweeted and must be replied to briefly and quickly in the same way.

But not everybody wants to communicate electronically. Fortunately, a

more personal approach is and will in future continue to be offered by the ParcelShops. In another part of Hamburg, Tanja Voss has been running a business selling stationery, tea, candles and other small gift items for five years. She also works for the Hermes ParcelShop about 50 times a day. She takes back returns for mail order companies, handles packages or stores luggage in a small storage room. Hermes also delivers luggage or skis to holiday addresses.

Working with Hermes is well worth it, says Voss. On the one hand, she obviously receives money for every consignment processed. More important, however, is the fact that the ParcelShop increases her sales. “Customers come more often and I am gaining new ones. Some who only wish to hand in a parcel will think ‘While I’m here, I might as well buy some writing paper or tea.’” Moreover,

Hermes does not only deliver and collect packages. It also supplies everything the ParcelShop needs free of charge, from the parcel scanner and label printer to all the advertising material. “I don’t have to worry about anything; Hermes does it all,” says Tanja Voss. Her impression of the cooperation: “I’d happily do it again”. Shop owners not only in Germany but also in Austria think on the same lines. There are about 1,500 ParcelShops. The successful model has also been exported to Russia, albeit adapted to the specific characteristics of that country.

### Management in the field

“Distance selling will continue to grow strongly in the coming years, and online trading is making the market more European,” says Frank Iden. Large foreign mail order companies are moving into Germany, and

German companies are expanding their business into neighbouring countries. “HLGD must offer logistics solutions for this,” says Iden, emphasising that the company is well equipped to do so.

He gets his optimism from the 4,500 or so employees of the Group. “They have developed incredibly over the years.” New requirements and tasks go together with increased experience and competence. The company has changed a lot since the beginning of 1972, “and we have come of age,” says Iden.

Human interaction has nevertheless remained. This is no doubt helped by the so-called focus weeks. Twice a year the Group’s management goes back to basics. Every manager accompanies delivery agents on their rounds and sits at sorting machines. “It is important not to forget how a parcel feels,” says Iden. ■

## Hermes Logistik Gruppe Deutschland (HLGD)

The Hermes-Paket-Schnell-Dienst was founded by the Otto Versand in 1972. Today, HLGD is Germany’s largest private logistics operator for deliveries to the final customer. The company delivers more than 300 million B2C and C2C consignments annually. It transports almost anything: from parcels and luggage to furniture and large machinery. Its delivery rate is almost 100%, and its damage/loss rate of 0.03% sets standards within the industry.