**7. Implementation**

7.1 Cost-Benefit Analysis

Cost-benefit analysis is a systematic approach to estimating the feasibility and viability of current options. The method involves calculating and comparing costs with potential benefits, profits of a project, a service, a decision, or a policy.

7.2 Project implementation plan

The project implementation plan is crucial to deliver necessary changes within the organization so that the new services can be realized. An implementation plan may include the following components:

1. Service scope and Objectives   
   Detailed scope: the scope of this plan should include the geographic regions for roll-out, appropriate type of goods for this service and the technology upgrade required.   
   Objectives: the final implementation of the plan is to roll out a new premium delivery service for customers, which will give more options to customer preference and increase their satisfaction. In addition, this movement aligns with DHL’s strategic goals for digitalization and enhancing last-mile delivery for new revenue streams.
2. Identify Stakeholders and Form the Project Team   
   Key stakeholders: Finance (for budget of the project), Logistic (for operation), IT (for changing application interfaces and new route algorithm), Marketing (for promotion and advertising the new services), and Customer Service (for handling inquiries and feedback)   
   Project team: include role such as Project Manager, Finance controller and analyst, Customer Experience Manager, Logistics specialist, and other staffs from relevant departments.
3. Develop Project plan   
   The grand project plan will be divided into sub-projects, such as:   
   - Upgrade customer application & Internal logistic software (algorithm, notification at fulfilment center, driver’s schedule)   
   - Marketing campaign for premium services   
   - Training for staffs at fulfilment center and drivers
4. Risk management   
   - Identify potential risk within the project and during implementation such as potential delays in technology upgrade and roll out, higher demand than expected leading to capacity issue, customer dissatisfaction with service price points   
   - Mitigation plans will be discussed in the next sub-chapter
5. Communication plan               
   - Establish a consistent communication plan between stakeholders and senior management to report on progress, briefing, challenges, and adjustments   
   - For smaller team on the project level, a weekly team meeting should be scheduled to review progress and discuss potential issues as well as insights.
6. Execution and monitoring    
   - At launch, the project team should choose a high-density urban area with high-need for the premium services so that delivery schedule and location can be easily managed, monitored, and optimized for future improvement.   
   - Milestones and resources allocation of each project should be closely checked for deviation and necessary adjustments.
7. Quality control   
   - Specific performance metric
8. Change management   
   - Change management should be implemented (including formal requests, impact analysis, approval process, communication plan) during this period.   
   - Documentation is compulsory for all decision-making process, project progress updates, and many more to ensure highest transparency and accountability (this will be crucial if any future modification happens since the root cause for the original can help with troubleshooting or reduce duplicated efforts in exploring solutions)
9. Project closure   
   - Deliverables of all the sub-projects should be clarified and fully operational (such as marketing campaign, customer application, operation process in fulfilment center, backend logistics systems)   
   - Conclusion meeting with the project team and stakeholders to review achievements, changes during the projects, potential areas for later improvements   
   - Sharing practices and success stories can also play a major role in future projects and spread encouragement, collaboration across different functions.

7.3 Mitigation plan

As new strategies will be developed according to the Implementation Plan mentioned, risks will come with it too. Therefore, we also suggest that Risk Mitigation strategies should be developed to reduce or even avoid new risks. We observe that implementing the new Premium Delivery service into the existing delivery ecosystem of DHL would increase both financial and technical risks.

Prior to the launch of the new service, we would prepare the internal team of DHL to ensure the readiness of Premium Service. Managers would be informed of, and several trials of the service would be done to analyze further risks that might arise and not thought about before.

However, we have observed several risks that might arise, and their impact on the customer. We also identified the probability of the risks’ occurrences to acknowledge how often the risk might happen. Most importantly, we also suggested mitigation plans to avoid or reduce the damage caused by the risk accordingly. The risks that might occur and plans of mitigation for the new Premium Service of DHL are as follows:

* Risk : VIP Package delivery overload

Impact : Not all VIP packages are delivered on time, thus lowering the trust of consumers to the new Premium Delivery service

Probability : Medium

Mitigation Plan : We presume that there will be “rush hour” in which during this time,  where the Premium Service delivery time is more preferred and busier than the other timeslots. Thus, during the rush hour, we will increase the price of the service. This will lead to 2 things: we expect customers will choose the other timeslots and it will also give DHL more financial flexibility to employ more manpower during the rush hour.

* Risk : Sudden unavailability of courier

Impact : Slight disturbance in the delivery schedule

Probability : Small

Mitigation Plan : DHL would always have several on-call backup couriers to be ready to replace sick couriers or couriers with unexpected matter

* Risk : VIP Customers suddenly becoming unavailable to pick-up package on their preferred schedule

Impact : VIP Customers can’t benefit entirely from the more expensive Premium Delivery Service they have opted

Probability : Small, since VIP Customers have paid more money, then presumably they would not miss their delivery time. Moreover, the package delivered might be important, thus missing the delivery time would not benefit them

Mitigation Plan : VIP Customers can opt for reschedule options from as soon as 1 hour after they have just made the package delivery order to 1 hour before the delivery scheduled time

* Risk : Courier is not punctual on the VIP Delivery time schedule

Impact : VIP Customers are not satisfied with the DHL service and will lead to bad reputation to the new service or even DHL as a whole. The Premium Service gradually will not be chosen by customers.

Probability : Small, although there might be confusion at first among the couriers in which missed delivery might peak especially during the first days of the new service’s launch. However, as the service matures, we presume this occurrence will naturally decline

* Mitigation Plan : Training for every member of staff related to this new service, especially the courier, before its launch. Secondly, there should be an update on the couriers’ apps which includes updated delivery planning and notification system to ensure the courier can always know easily which destination to prioritize

There might be an increase in people selecting VIP services for the delivery of their packages. We would expect this increase especially in the business districts of different cities all over the world where the delivery of important documents or packages for business requires specific on-time delivery. We also expect that there might be specific hours at which these VIP services would peak (around morning and evening). Therefore, we suggest that the prices during this period would be more expensive than the other preferred hour as it is expected to be busier.