DPPH Plan vs. Actual Capacity Reliability Deep Dive SOP

Purpose

This SOP enables an OTR Leader to connect Amazons %Plan vs. Actual DPPH metric to DSP Capacity Reliability. Additionally, it provides an escalation plan with talking points that an OTR Leader can use to collaborate with a DSP to improve an out-of-compliance metric. The first three leakages focus on Plan vs. Actual defects that, if not addressed, can proactively cascade into a future capacity reliability miss. The remaining leakages are post-plan defects that result in a dropped route.

Scope

This SOP should be used by OTR Leaders that are required to bridge %Plan vs. Actual DPPH misses in the vital few. In North America, this will also support Leaders developing action plans to be merged into the DSP Performance Review (DPR) for tracking and follow up. On-Road Plan vs. Actual DPPH is a measurement of how well stations execute the routing plan that optimizes OTR productivity. DPPH performance is tied to the ability of a DSP to meet their route targets.

Why Is This Important?

This document will save an Ops manager time as they identify and drive to a collaborative Ops and DSP solution to address DPPH leakages and Capacity Reliability misses. It also provides OTR Leaders with a series of recommendations that can be communicated with the DSP that will not expose AMZL to co-management risks. **Reminder**: When talking to DSPs, language should always be framed as a recommendation and should not include guarantees. When reviewing DSP data, Leaders may not share information about another DSP.

Key Definitions

Not Applicable

Measurement Methodologies

We are focusing on the below metrics because they have a high Capacity Reliability and DPPH correlation. Cubeout and OOTD flags are indicators that a DSP may have equipment problems in the future. The remaining leakages have a direct connection between DPPH and Capacity Reliability.

Root Cause	Standard	Definition	Formula	Historical Performance Link	Hourly Performance Link
Cubeout from Service Type Compliance Miss	Pass	Service Type Compliance (STC) is a metric meant to show the level of accuracy between the planned route service type (ST) and the actual executed vehicle type. The	STC pass or fail = Route Service type Generated ≠ VIN ST of Van Route is executed on.	PerfectMile Line 4.3 PerfectMile PvA DPPH Deep Dive NA PerfectMile PvA DPPH Deep Dive EU	N/A

		expectation is for DSP to bring in the same distribution of van sizes as they planned.			
Cubeout from Loading SOP Failure	N/A	When a vehicle cubes out due to the DA using a poor loading scheme that deviates from the standard.	N/A	PerfectMile Line 4.3 PerfectMile PvA DPPH Deep Dive NA PerfectMile PvA DPPH Deep Dive EU	N/A
Out of Delivery Time from Vehicle Breakdown	N/A	When a vehicle breaks down that results in a DA marking packages as out of delivery time (OODT) on road through their mobile device.	N/A	PerfectMile Line 7.1, 7.2 & 7.3 PerfectMile PvA DPPH Deep Dive NA PerfectMile PvA DPPH Deep Dive EU	N/A
Full Route Drop Due to a Scheduling Miss		When a DSP drops a route and the root cause is due to under scheduling DAs to meet customer demand or incorrectly rostering a driver.	Reliability =	PerfectMile Line 4.2	N/A
Full Route Drop Due to a Fleet Miss	Capacity Reliability = 100%	When a DSP drops a route and the root cause is due to lack of vehicle availability or vehicle grounding.	(Comp. Routes + AMZL Paid Cancels) / (Reliability Target + DSP Dropped Routes)	PerfectMile PvA DPPH Deep Dive NA PerfectMile PvA DPPH Deep Dive EU	N/A
Full Route Drop Due to a DA Pipeline Miss		When a DSP drops a route and the root cause is due to attrition that outpaces the DA hiring rate or a DA pipeline bottleneck.	Toucs		N/A

Roles and Responsibilities

Role	RACI	Responsibility

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DS OTR Ops Manager (L6)	R A C	Responsible for follow up and completing action plans that assist a DSP to improve delivery performance. Accountable for DPPH Leakage bridges in PerfectMile and developing a corrective action plan to mitigate future occurrences. Accountable to DPR Capacity Reliability escalation compliance for DSPs that have a score of 90% or less for 4 trailing weeks. Consulted and informed of escalations of Capacity Reliability misses.
ORAM	R	Responsible for partnering with a DSP to develop an action plan to improve delivery performance. Responsible for bridging to DPPH Leakages in PerfectMile and developing a corrective action plan to mitigate future occurrences. Responsible for identifying Capacity Reliability misses.
DSPs	R	Responsible for partnering with the OTR Manager to develop action plans that improve delivery performance. Accountable for following up on the plans progress.
DSP Business Coach (BC)	R, C, I	Consulted on how to address forward looking capacity reliability escalations. Informed by the station about weekly performance highlights/lowlights, and tending poor Capacity Reliability performance. Responsible to working with an underperforming DSP after all local station levers have been pulled.
Fleet Management	R, C, I	Consulted on how to address forward looking Fleet risk escalations. Informed by the station about weekly performance highlights/lowlights, and tending poor Capacity Reliability performance stemming from equipment availability.
On Road Staffing (ORS)	R, C, I	Consulted on how to address DA staffing bottleneck and attrition escalations. Informed by the station about weekly performance highlights/lowlights, and tending poor Capacity Reliability performance stemming from ORS misses.

Safety, Tools, Equipment, Software Needed

- VIN decoder
- Service Type Compliance (PM) 13.1-13.5

- PerfectMile PvA DPPH Deep Dive NA
- PerfectMile PvA DPPH Deep Dive EU
- Fleet Flash Portal
- DA Attrition dashboard
- NA OTR Driver Dashboard
- NA_DSP Flexibility Dashboard
- NA_13WK_OTR_Labor_Plan File
- DSP Reliability Analysis Tool

Process Map



Leakage Type

1. PerfectMile 4.3 - Dispatch Failure -Cubeout Packages - Van Size Inaccurate - Service Type Plan

Root Metric: Service Type Compliance (STC)

What do I do?

Investigate that DSP is using macro to determine service types of active fleet and is updating ECP accurately.

How do I do it?

- Stations to identify Service type gaps and ensure DSPs are entering the correct fleet composition.
- Review all ST mapping with DSP owners and ensure DSPs are inputting the correct ST.
- Partner with BC/SR OPS/ACES in regards to lack of non-compliance.
- Ensure DSPs are using day-of ops plan when assigning vehicles to routes.

Deep dive and resource(s):

- VIN decoder
- Service Type Compliance (PM) 13.1-13.5
- STC Video

What Do I Say to the DSP and How Do I Escalate?

What should I say?

Remind DSPs that managing their vehicles under the Fleet Standards and Requirements is a part of the agreement in how we partner to deliver.

Remind DSPs that registering vehicles to be used in the current month and preregistering additional rental vehicles up to their AFS for the coming month can limit exposure to unintended additional costs.

If supplemental rental vans over a DSPs approved fleet size are required, Direct the DSP to seek preapproval from their Regional Fleet Manager (RFM) and, if approved, they will be compensated for the cost of the additional vans as well via the month-end reconciliation (the approval will be reflected in the approved fleet size values displayed in the portal).

How do I escalate?

Escalation to BC team can happen after multiple attempts to help deep dive root cause and conversations without solution; BC is not a hammer but more a partner in trying to influence. There is not a direct breach of contract for this defect.

Information required to escalate:

- Root Cause for miss
- Impact of miss
- Documented conversations
- Possible solutions from both DSPs and OTR

2. PerfectMile 4.3 - Dispatch Failure - Cubeout Packages - Van Size Inaccurate - Service Type Actual

Root Metric: Service Type Compliance (STC)

What do I do?

Investigate that DSP is using macro to determine service types of active fleet and is updating ECP accurately.

How do I do it?

- Review all ST mapping with DSP owners and ensure DSPs are inputting the correct ST.
- Partner with BC/SR OPS/ACES in regards to lack of non-compliance.
- Ensure DSPs are using day-of ops plan when assigning vehicles to routes.

Deep dive and resource(s):

- VIN decoder
- Service Type Compliance (PM) 13.1-13.5
- STC Video

How can I influence the DSP?

Remind DSPs that managing the their fleet in accordance with Fleet Standards and Requirements is apart of the agreement in how we partner to deliver.

Remind DSPs that registering vehicles to be used in the current month and preregistering additional rental vehicles up to their AFS for the coming month can limit exposure to unintended additional costs.

Discuss vehicles that show a trend of having a preroute DVIC completion time less than 90 seconds for NA and EU. Have a similar discussion for post route DIVIC times less than 90 seconds in NA/EU. Service type compliance is validated on a DVIC.

Ensuring the correct vehicle is used to run the route has positive impacts on the DA Experience with your company. It avoids circumstances where the DA will have a vehicle cube out or have to operate an oversized vehicle on a route that is better suited for a smaller vehicle.

If supplemental rental vans over a DSPs approved fleet size are required, direct the DSP to seek preapproval from their Regional Fleet Manager (RFM) and, if approved, they will be compensated for the cost of the additional vans as well via the month-end reconciliation (the approval will be reflected in the approved fleet size values displayed in the portal).

How do I escalate?

Escalation to BC team can happen after multiple attempts to help deep dive root cause and conversations without solution; BC is not a hammer but more a partner in trying to influence. There is not a direct breach of contract for this defect.

Information required to escalate:

- Root cause for miss
- Impact of miss
- Documented conversations
- Possible solutions from both DSPs and OTR

3. PerfectMile 4.3 - Dispatch Failure – Cubeout Packages – Loading SOP Failure

Root Metric(s): Cube PvA and Package Search Time

What do I do?

How can I influence the DSP?

Remind DSPs that delivery success starts with how well a vehicle is loaded. Poor SOP adherence leads to either long package search times or vehicle cube outs which reduces the efficiency of your routes, thus paying more per hour then you may need to.

Although it at times it may be self-inflicted, poor loading SOP adherence can also negatively impact the DA

- Investigate package search time % to BM to see if search times are below 80%.
- Partner with the DSP to raise DA awareness of best practices.
- Consider raising awareness to DA Assist AAs to encourage best practices when working with DAs that struggle to follow loading standards.

How do I do it?

- Partner with Loadout PS/DA Assist AA and the DSP to collect anecdotes and determine defect root cause.
- Review the <u>Problem Solve Loadout Process</u> and <u>DA Assist with Van Loading SOP</u>. Share best practices with DA Assist, Loadout PS AAs, and DSPs.
- Partner with other DSPs to flesh out best practices identified by other DAs and review findings with the DSP of interest. Suggest retraining to reduce the defect.
- Deep dive over-utilization% (Section 4.8 on DPPH PM) to understand if the DSP Service types are correct; update where necessary.

Experience because it makes the job more difficult.

How do I escalate?

Escalation to BC team can happen after multiple attempts to help deep dive root cause and conversations without solution; BC is not a hammer but more a partner in trying to influence. There is not a direct breach of contract for this defect.

Information required to escalate:

- Root cause for miss
- Impact of miss
- Documented conversations
- Possible solutions from both DSPs and OTR

4. PerfectMile - 4.2 Dispatch Failure - Rejected Packages - Full Route Drop - No Show – Scheduling Miss

What do I do?

- Spot check DSP Reliability for four-week trend.
- Review route commitments for the prior three weeks and look for trends where the DSP Max Routes drops more than five routes from T-3 to D-1, which results in a dropped route. Schedule time with the DSP to review scheduling best practices.
- Review if the DSP has a reliability score less than 100% for the trailing 4 weeks.

How do I do it?

- To review route commitments, use the <u>NA_DSP</u> <u>Flexibility Dashboard</u> (amzlbiaquicksight).
 - Ecp wk# max = DSP Entry into SUI
 - ECP WK+# = ECP Route Offerings
- Review the dashboard and identify if the following trends exist for a DSP that has dropped below their Okami commitments:
 - Week $1 \rightarrow \text{Day} 1$:
 - Does any DSP at the station have over 5 route reductions at a weekly level over the trailing 4 weeks?
 - Week $3 \rightarrow$ Week 1:
 - Has any DSP reduced routes by more than 5 routes per OFD by week?

How can I influence the DSP?

Capacity Reliability helps keep a DSP in good standing. A breach in contract status bars a DSP from making per package Score Card incentives (\$0.07 or \$0.15) for on average 6 to 7 weeks.

Remind the DSPs of daily and weekly tasks:

Daily Tasks

- Update your available capacity for the following day prior to 3 P.M.
- Review your scheduled routes for the next day after 5 P.M.
- Roster drivers prior to 6 P.M.
- Reject any scheduled routes you cannot execute after 6 P.M.
- Manually scrub for next day changes and avoid using Auto Roster to prevent unintended scheduling gaps.

Completing daily tasks helps the DSP to ensure they have the people and the mech to deliver in the planning week and ensures their schedule are capacity plans are accurate.

Weekly Tasks

- Update your available capacity for the next three weeks every Monday by 6 P.M.
- Review your updated route targets for W+4 through W+13 every Tuesday after 6 P.M.
- Review your scheduled routes for the following three weeks every Friday after 6 P.M.

- Document if the DSP dropped a route in either of the two scenarios.
- To review reliability, use the <u>Smorgasbord Dashboard</u> (amazonbi). On the BOC tab, set your filters to your station and all of the exemptions' fields to "No." Review the trailing four-week columns to see if the DSP was below 100%.

To prevent future scheduling misses:

- Station Ops should confirm next day scheduling in <u>SUI</u> to determine scheduling risks.
- Review the ECP email for late drops and scheduling misses.
- Reach out to PPT and request a forward-looking risk analysis for DSPs who consistently drop routes to determine if the problem is going to be intermittent or if a long-term solution is required.

Completing weekly tasks helps the DSP assess their forward-looking capacity and risks to not meeting demand, and it allows for proactive partnership to close any gaps to the capacity ask that surface.

Warn the DSP about "chasing route commitments down." It sends an inaccurate signal of DSP max capacity and may be a sign of poor scheduling.

Not posting max capacity and scheduling right to Okamii reduces the likelihood to get extra route offerings if a different DSP drops a route. The system will assume you don't have the capacity and move on to the next company.

The expectation is that all DSPs maintain a 100% Capacity Reliability Score.

How do I escalate?

Prepare documentation for the DPR meeting if there is a pattern of drops identified or the DSP is under 90% reliability to Okamii for four weeks.

If the DSP improves reliability above 90% for three out of four weeks, ongoing reliability improvement discussions can stop and the focus should shift to closing out action items.

If performance does not improve over/after the four-week window, and all actions have been closed out, reduce the reliability discussion to a monthly cadence. Submit reliability and other supporting data to your Sr. regional for further escalation.

Use the <u>DSP Reliability Analysis Tool</u> to collate data and notify your Sr. Regional of the performance misses.

Data should be saved and used when partaking in DSP Leadership Review Assessments.

Information required to escalate:

- DPR data should include a summary of drops, reliability data, and T+4 capacity risks identified by PPT
- DSP scheduling variability trends week over week and the associated reliability score reflecting the dropped route

Use the <u>DSP Reliability Analysis Scheduling Miss Tab</u> to prepare for the discussion.

Note: DSPs splitting routes is acceptable and as it's defined in the DSP Operations Manual and program agreement. While splitting routes is highly discouraged in some cases leading to increased quality and productivity issues for the DSP, DSPs may elect to split routes at their

discretion. Station Ops teams should follow the recommended actions below to help the DSP identify alternative solutions and resolve root cause issues leading to split routes.

5. PerfectMile - 4.2 Dispatch Failure - Rejected Packages - Full Route Drop - No Show - Fleet Miss

What do I do?

- Develop a strategy with the DSP that addresses dropped routes because of vehicle availability.
- Spot check <u>DSP Reliability</u> for four-week trend.

How do I do it?

Open the Fleet Flash Portal and review DVIC Compliance and DVIC Passed Median Audit Time to identify trends where a vehicle is being checked pre/post route in less than 90 seconds. This will inform you on the level of quality of inspections.

Review Vehicle Operational Readiness Rate (Goal >95%), Grounded Vehicles and Preventative Maintenance Currency metrics. Look for trends where the DSP is poorly performing in the above metrics that expose them to future capacity risk. Review Quick Wins and determine opportunities to return vehicles to service.

Review the DSPs Authorized Fleet Size (AFS) vs their Actual Fleet Size relative to Okami to determine if there are forward looking risks to delivery capacity or if the DSP is exposed to a financial risk by having excess vehicles.

The <u>Fleet Mgmt and Programs Wiki</u> has additional links to information to aid in the deep dive if the problem is less obvious and SIMs to help close the gap to the plan.

How can I influence the DSP?

- Remind DSPs that managing their fleet in accordance with Fleet Standards and Requirements is a part of the agreement in how we partner to deliver.
- Capacity Reliability helps keep a DSP in good standing. A breach in contract status bars a DSP from making per package Score Card incentives (\$0.07 or \$0.15) for on average six to seven weeks.
- The expectation is that all DSPs maintain a 100% Capacity Reliability Score.
- Discuss vehicles that show a trend of having a preroute and post-route DVIC completion time less than 90 seconds.
- Discuss W+4 forward looking fleet related risk in terms of how it can impact a DSPs reliability score and potential volume share.

How do I escalate?

Use the <u>DSP Reliability Analysis Tool</u> to collate data and notify your Sr. Regional of the performance misses. Partner with your Sr. Regional to develop a corrective action plan with the Regional Fleet Manager (RFM).

Prepare documentation for the DPR meeting if there is a pattern of drops identified or the DSP is under 90% reliability to Okamii for four weeks.

If the DSP improves reliability above 90% for three out of four weeks, ongoing reliability improvement discussions can stop and the focus should shift to closing out action items.

If performance does not improve over/after the four-week window, and all actions have been closed out, reduce the reliability discussion to a monthly cadence. Submit reliability and other supporting data to your Sr. regional for further escalation.

Use the <u>DSP Reliability Analysis Tool</u> to collate data and notify your Sr. Regional of the performance misses.

Data should be saved and used when partaking in DSP Leadership Review Assessments.

Information required to escalate:

- DPR data should include fleet health with respect to DVIC scores
- Active vs. Inactive Fleet vs. Okamii

- AFS vs Actual Fleet Size
- Forward-looking branded and rental van status

Use <u>DSP Reliability Analysis DA Fleet Miss Tab</u> to prepare for the discussion.

6. PerfectMile - 4.2 Dispatch Failure - Rejected Packages - Full Route Drop - No Show – DA Hiring Miss

What do I do?

- Develop an action plan that supports a DSPs ability to hire and onboard new DAs.
- Work with DSP and On-Road Staffing to increase pipeline throughput.
- Review and develop temporary solutions to lift capacity by leveraging Average Days Worked (ADW).
- Spot check DSP Reliability for four-week trend.

How do I do it?

- Review DA Attrition Dashboard to deep dive trends
- Review the <u>NA OTR Driver Dashboard</u> DA Onboarding tab to review the DA hiring pipeline.
- Use the DSP_Calculator Tab in the NA_13WK_OTR_Labor_Plan File (Updated Weekly) to develop scenarios to help the DSP lift, and recover lost capacity. Do not share another DSPs data with the DSP you are working with.
- Review the the driver to route ratio.

Capacity Reliability helps keep a DSP in good standing. A breach in contract status bars a DSP from making per package Score Card incentives (\$0.07 or \$0.15) for on average six to seven weeks.

The expectation is that all DSPs maintain a 100% Capacity Reliability Score.

Maintaining an accurate roster and a healthy hiring pipeline is the best way to ensure long term success in meeting customer demand.

Consider reviewing the associate mix (Full Time/Part Time) to determine if that balance is optimal for their business.

Attention to detail in this area helps DSP's manage cost avoidance in overstaffing/overtime.

Ask if assistance/training is needed to understand their dwellings and if support is needed with conducting hiring events.

Low attrition is driven by good company culture and has multiple benefits that impact more than just reliability. A DSP can maintain higher tenured DA's, with higher affinity which means they will be safer, and more productive and help source better candidates.

How do I escalate?

Use the <u>DSP Reliability Analysis Tool</u> to collate data and notify your Sr. Regional of the performance misses and partner to escalate the problem to the ORS Team.

Prepare documentation for the DPR meeting if there is a pattern of drops identified or the DSP is under 90% reliability to Okamii for four weeks.

If the DSP improves reliability above 90% for three out of fou weeks, ongoing reliability improvement discussions can stop and the focus should shift to closing out action items.

If performance does not improve over/after the four-week window, and all actions have been closed out, reduce the reliability discussion to a monthly cadence. Submit reliability and other supporting data to your Sr. regional for further escalation.

Use the <u>DSP Reliability Analysis Tool</u> to collate data and notify your Sr. Regional of the performance misses.

Data should be saved and used when partaking in DSP Leadership Review Assessments.

Information required to escalate:

- Attrition opportunities
- Active DAs vs Target DAs with respect to the current week or forward-looking planning week Okamii target
- DA Pipeline health and conversion status
- Reliability performance

Use the <u>DSP Reliability Analysis DA Hiring Miss Tab</u> to prepare for the discussion.

7. DPR Escalation – DSP is Under 90% Reliability for Four Weeks

If there is a pattern of drops identified, or the DSP is under 90% reliability to Okamii for four weeks, leaders should use the **DPR Prep file** and select the tab (DA Hiring/Fleet/Scheduling) that aligns with the root cause of the capacity reliability misses. See above steps on potential talking points for the DPR.

Use the data collected from the DPR Prep File and insert data into the <u>DPR Joint Action Item Tracker</u>. The Capacity Reliability discussion should not take more than five minutes of time and should be included in the DPR.

Follow the DPR mechanism as outlined.

Use talking points from any of the above sections to guide the conversation from root cause identification to a countermeasure plan.

8. Save Collected Data in the DSP Reliability Analysis Tool and Use to Build the DSP Leadership Assessment (DLA) Narrative

The <u>DLA</u> assessment captures feedback on DSPs in AMZL, AMXL, and RSR in the US and CA.

Audience: Business Coaches, Station Operations (OTR and UTR L6+), Regional Fleet Managers, DA Hiring Program Managers, Area Managers, and Lead, and On Road Execution.