

DHL Makes Org Changes in Support of New US Strategy

New "General Manager Model" for Four US Regions Outlined in Memo from CEO Ken Allen; Memo Describes Need for Sense of Urgency

SCDigest Editorial Staff

SCDigest has obtained a memo from new DHL US Chief **Ken Allen** to other top company executives that outlines management and organizational changes on the heels of the company's substantial restructuring of its US package service and network (See [What's the Real Story Behind DHL's Revamped US Plans?](#)). Allen was named to the post in early May, amid rising losses at the US unit of Germany Deutsche Post, and just before the new strategy was announced

The memo outlines a new management structure that includes for new sales and operating regions in the US under the control of four new general managers, in "an effort to become more focused on field activities," wrote Allen.

There is a sense of urgency in the memo, with Allen writing that "It is critical for us to have the most accountable alignment of our responsibilities moving forward."

He later adds that the company needs "to have 100% focus on the UPS Aviation component and seeing that through to an accelerated execution," regarding the plan to outsource its air freight movement to its parcel competitor.

The full memo is published below.

Organizational Announcement **From: Ken Allen, CEO DHL Express U.S.**

(Managers - please cascade to your teams immediately)

"With the absolute need to have 100% focus on the UPS Aviation component and seeing that through to an accelerated execution, I have asked Dave Vernon to lead this through to implementation."

DHL US Chief Ken Allen

Today I am announcing several organizational changes in support of our U.S. restructuring plan. It is critical for us to have the most accountable alignment of our responsibilities moving forward. We have many significant challenges and milestones to reach in the days ahead to realize our ambitious plans.

Introduction of General Manager Model

First, in an effort to become more focused on field activities, we are introducing a General Manager (GM) operating model. These GM's will assume responsibility for both operations and sales within their geographic areas, focusing on customer retention and development, excellent service and well executed people and cost plans. Each GM will maintain a single, area-wide profit-and-loss statement for improved transparency and accountability.

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I am pleased to announce the following GM appointments and welcome them to the U.S. Management Board (USMB):

- * Area 1: Terry Carter*
- * Area 2: Mike Parra*
- * Area 3: Al Burba*
- * Area 4: Dave Katz*

We will transition to this new operating model with immediate effect and to this end we will hold our first USMB meeting next week (June 11 and 12) after which the GM's will quickly align their area teams and begin to drive the integration necessary to achieve our goals.

Board Structure

The USMB will remain the same as today with the exception of Karen Jones who will move forward supporting John Pearson in her current Global Express role, and Manny Fernandez who will leave our organization with immediate effect.

I would like to take the opportunity to thank both Manny and Karen for their contributions.

With the introduction of the four General Managers, I will be consolidating all commercial functions under Charles Brewer, as EVP Commercial (including National Accounts, Sales Process, International, Marketing, Customer Service, Pricing, Air Cargo Sales and Same Day).

With the absolute need to have 100% focus on the UPS Aviation component and seeing that through to an accelerated execution, I have asked Dave Vernon to lead this through to implementation.

Continuing Our Plan Forward

These changes will allow us to better align our organization to serve customer needs, drive a substantial amount of cost out of the organization, while keeping a focus on operational excellence, and create EBIT accountability. To this end we will shortly be announcing a restructure of our corporate office to better serve the new area organization and its demands.

Best,

Ken
