

Express Delivery

This simulation was designed in collaboration with TNT, to give managers in the express delivery industry an insight into the drivers of financial success in their business.

The simulation puts participants into the role of general managers. They face the challenge of deciding how (and how fast) to grow capacity in order to internationalise the business and capture corporate customers who demand a global reach, while balancing price, costs, and service levels to build and retain market share.

Suitable for senior managers through to junior staff in the industry, it brings home the business results of decisions at all levels, and the impact those results have on job security and career prospects for employees, as well as shareholders. The combination of depot capacity, workload, and fleet size drive the level of service (on time deliveries). This in turn is a major driver of customer satisfaction and sales.

Participants can invest in depots and hubs, pick-up and delivery fleets, and long-haul transport assets (planes and trucks). The ability to deliver on time depends on the management of volumes against installed capacity, with the additional complication of awkward ("ugly") freight which takes far more space, time and effort to handle than normal freight. At depot level, participants can expedite deliveries to avoid late delivery, at additional cost, if they find that demand (or the amount of awkward freight) has exceeded their local fleet capacity. There are also opportunities to invest in "ease of use" systems such as web portals, customer parcel tracking and customer service centres.

Success in the simulation depends on balancing investments in fixed assets and staff against the volumes of business that can be won in a competitive market place. Competition takes account of price, delivery performance, ease of use, and geographic reach, and it happens in a totally transparent marketplace where you can see who won each contract, and why. While some customers are highly price sensitive, others who may be even more demanding in terms of delivery are less concerned about price. This offers opportunities to raise margins substantially through careful thought and action.

The programme can be run over 1 or 2 days, depending on the level of teaching and debrief that is included. 1 day provides a brief and functional introduction to the financial plumbing of the business, while a 2-day session allows full discussion of business topics including cash flow, profit management, strategy and local action, and the impact of each participant's work on the financial success of the business. We can include exercises on a range of topics including Balance Sheet exercises, Profit & Loss accounting, analysis of the drivers of EBIT and Shareholder Value. Most importantly, we can show managers how to use analysis in their own work to improve results.



"Probably the most enjoyable method of learning I've experienced."

Participant

"Impressive and very educational"

Participant

"Extremely professional and enjoyable workshop, one of the best I've had!"

Participant



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