Piece Weight Determination (PWD) Program – Stage 2

Commercial Information Pack

September 2019

Piece Weight Determination (PWD) Program

PWD Program Stage 2

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DISCLAIMER
DHL Express has decided **not** to issue a mass proactive communication regarding this change. Content of this deck to be used on **reactive** basis only.

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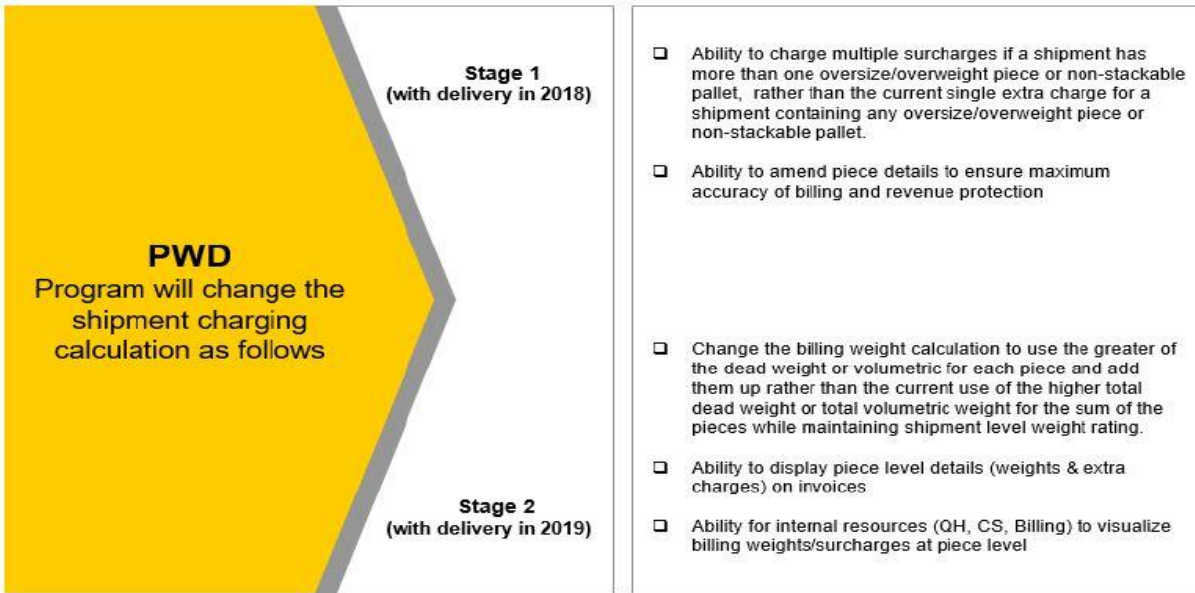
Piece Weight Determination (PWD) Program

Key Message

Today, charges are applied "per shipment" due to historic system limitations.
The PWD also known as the "Piece by Piece" program aims to align DHL Express systems to support changes in charging method from "**per shipment**" to "**per piece**".

The PWD program is led by Global Finance. More information on the program can be found on the PWD myNet page.

The PWD program is changing the way we determine the billing weight from shipment to piece, the two stages of the program are outlined below:

PWD
Program will change the shipment charging calculation as follows

Stage 1
(with delivery in 2018)

- ❑ Ability to charge multiple surcharges if a shipment has more than one oversize/overweight piece or non-stackable pallet, rather than the current single extra charge for a shipment containing any oversize/overweight piece or non-stackable pallet.

- ❑ Ability to amend piece details to ensure maximum accuracy of billing and revenue protection

Stage 2
(with delivery in 2019)

- ❑ Change the billing weight calculation to use the greater of the dead weight or volumetric for each piece and add them up rather than the current use of the higher total dead weight or total volumetric weight for the sum of the pieces while maintaining shipment level weight rating.

- ❑ Ability to display piece level details (weights & extra charges) on invoices

- ❑ Ability for internal resources (QH, CS, Billing) to visualize billing weights/surcharges at piece level

Note: Dead weight as described in the above image is referred to as scale weight in this document.

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FAQ - Piece Weight Determination (PWD) Program

Q: When is Stage 2 of the PWD Program effective?
A: Oct 1st, 2019.

Q: What are the Stage 2 changes?
A: The chargeable/billing weight calculation for multi-piece shipments, will now be calculated using the greater of the scale weight or volumetric weight **for each piece** and add them up.
Prior to PWD Stage 2 our methodology was to use the higher of the scale or volumetric weight for the sum of all the pieces.

Q: Have any customers been notified of the changes?
A: DHL Express has decided not to issue a mass proactive communication regarding this change. This principle of "per piece" charges are a part of our terms and conditions and are also documented in our Rate & Transit Guides and DHL.com website.

Q: Where can I find more information about the PWD program?
A: Documentation on the PWD Program led by Global Finance can be found on the PWD myNet page.
https://mynet.dpdhl.com/goto/20190523145159271663_en

Q: Which customers will be affected by these changes?
A: All customers are affected by these changes.

Q: Are all products affected?
A: Yes, all products are impacted by these changes. (Except Express Easy, Global Mail and SameDay)

Q: Can customers be exempted from this change?
A: This change applies to ALL customers. No customers to be exempted prior to the change.
Any customer cases post-implementation are to be discussed with your regional Tender Review Board (TRB).

Q: Will the PWD Stage 2 changes apply to inbound shipments?
A: Yes, the changes are applicable to inbound and outbound shipments.

Q: Does 1st October refer to the Shipment Date or the Billing date?
A: PWD Stage 2 will be applied as of 1st October based on shipment date.

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Recommended Scripts (REACTIVE USAGE)

Q1: I used one of your online systems to obtain a quote and it is seems different to a similar shipment I sent previously, has there been a price increase?

A1: There was no price increase, but there has been a recent change to the methodology behind calculation of the chargeable / billing weight. Please let me get all your details and create a quote in the system I use and I will be able to explain how the freight charge has been calculated.

Q2: Why has DHL Express implemented this change in how the weight charge is formulated?

A2: This way of calculating chargeable weight is the industry standard. Our implementation of this chargeable/billing weight calculation brings DHL Express into line with all other International Express Freight Courier companies.

Q3: I would like to know if there is anything I can do to revert back to how my shipment were previously charged?

A3: This change applies to all customers and has been made to bring DHL Express in line with billing methods as used by other companies operating in the International Express industry

Q4: I am not happy with this new approach to calculating the chargeable weight. I will no longer use DHL Express.

A4: Please do accept my apologies, *however* this has always been part of our standard terms & conditions and brings us in line with industry standards.

Q5: Is this contractually allowed and doesn't this conflict with the current contract we are having?

A5: The principle of "per piece" charges have always been a part of our standard terms and conditions and are also documented in our Rate & Transit Guides and DHL.com website.

Piece Weight Determination (PWD) Program

Chargeable/Billing Weight Calculation Scenarios (1/4)

Scenario 1:

Customer is sending a 6 piece shipment

- 3 pieces, scale weight 19 kg each and piece dimensions of 23cm x 39cm x 34cm
- 3 pieces, scale weight 5kg each and dimensions of 52cm x 38cm x 32cm

After entering the above shipment information into the DCT Inquiry screen of CSV v4.6.1 and clicking search, the Vol wgt per pc , Chargeable wgt and yellow highlights will be shown as per the below;

Measurement Unit	Kg. ⌄	Cm. ⌄					
Type	Pcs	Wgt per pc	L per pc	W/Dia per pc	H per pc	Vol wgt per pc	Chargeable wgt
Conveyable ⌄	3	19.0	23	39	34	6.10	57.00
Conveyable ⌄	3	5.0	52	38	32	12.65	37.94
Conveyable ⌄							
Total	6	72.0				56.24	94.94

PWD Stage 2 chargeable/ billing weight = 94.94 kg.

Explanation: The total chargeable weight for this shipment is based on the scale weight for the first line and volumetric weight for the second line, as shown in the yellow highlighted boxes.

Chargeable/Billing Weight Calculation Scenarios (2/4)

Scenario 2:
Customer is sending an 18 piece shipment
- 15 pieces, scale weight 5kg each and piece dimensions of 50cm x 60cm x 45cm
- 3 pieces, scale weight 5kg each and dimensions of 19cm x 45cm x 19cm

After entering the above shipment information into the DCT Inquiry screen of CSV v4.6.1 and clicking Search, the Vol wgt per pc , Chargeable wgt and yellow highlights will be shown as per the below;

Measurement Unit	Kg. ∨	Cm. ∨					
Type	Pcs	Wgt per pc	L per pc	W/Dia per pc	H per pc	Vol wgt per pc	Chargeable wgt
Conveyable ∨	15	5.0	50	60	45	27.00	405.00
Conveyable ∨	3	5.0	19	45	19	3.25	15.00
Conveyable ∨							
Total	18	90.0				414.75	420.00

> PWD Stage 2 chargeable/ billing weight = 420.00 kg.

Explanation: The total chargeable weight for this shipment is based on the volumetric weight for the first line and the scale weight for the second line, as shown in the yellow highlighted boxes.

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Chargeable/Billing Weight Calculation Scenarios (3/4)

Scenario 3:

Customer is sending an 4 piece shipment
- 1 pieces, scale weight 10kg each and piece dimensions of 55cm x 46cm x 45cm
- 3 pieces, scale weight 5kg each and dimensions of 60cm x 45cm x 43cm

After entering the above shipment information into the DCT Inquiry screen of CSV v4.6.1 and clicking Search, the Vol wgt per pc, Chargeable wgt and yellow highlights will be shown as per the below;

Measurement Unit	Kg. ▾	Cm. ▾					
Type	Pcs	Wgt per pc	L per pc	W/Dia per pc	H per pc	Vol wgt per pc	Chargeable wgt
Conveyable ▾	1	10.0	55	46	45	22.77	22.77
Conveyable ▾	3	5.0	60	45	43	23.22	69.66
Conveyable ▾							
Total	4	25.0				92.43	92.43

> PWD Stage 2 chargeable/ billing weight = 92.43 kg.

Explanation: The total chargeable/billing weight for this shipment is based on the volumetric weight for both the first line and second lines, as shown in the yellow highlighted boxes.

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Chargeable/Billing Weight Calculation Scenarios (4/4)

Scenario 4:

Customer is sending an 2 piece shipment

- 1 pieces, scale weight 50kg each and piece dimensions of 60cm x 60cm x 50cm
- 1 pieces, scale weight 25kg each and dimensions of 60cm x 45cm x 43cm

After entering the above shipment information into the DCT Inquiry screen of CSV v4.6.1 and clicking Search, the Vol wgt per pc , Chargeable wgt and yellow highlights will be shown as per the below;

Measurement Unit	Kg.	Cm.					
Type	Pcs	Wgt per pc	L per pc	W/Dia per pc	H per pc	Vol wgt per pc	Chargeable wgt
Conveyable	1	50.0	60	60	50	36.00	50.00
Conveyable	1	25.0	60	45	43	23.22	25.00
Conveyable							
Total	2	75.0				59.22	75.00

> PWD Stage 2 chargeable/ billing weight = 75.00 kg.

Explanation: The total chargeable weight for this shipment is based on the scale weight for the first line and second line, as shown in the yellow highlighted boxes.

THANK YOU.