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Q&A with Kelli Saunders of DHL Supply Chain

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In this edition of *Development Incentives Quarterly*, we welcome Kelli Saunders, senior director of incentive and site selection of DHL Supply Chain in Westerville, Ohio. DHL is the largest third-party logistics provider globally. Kelli explains her role, the structure of DHL's incentives department, and how the pandemic has affected her work.

Please describe your role at DHL.

I am responsible for tax credits & Incentives for DHL Supply Chain. DHL Supply Chain is the North American leader in contract logistics, providing customer-focused solutions to a wide range of industries including automotive, consumer, retail, engineering and manufacturing, life sciences and healthcare, technology, energy and chemicals.

I joined DHL in 2005 with responsibility for federal, state and local income tax compliance. In 2012, DHL started a tax credits & incentives function and I assumed responsibility for leading that function. My team reports into DHL's real estate solutions group. I have worked on multiple incentive deals at the federal, state and local levels in over 20 states.

I graduated from Miami University in Oxford, Ohio with a B.S. in Accountancy and am a Certified Public Accountant.

Have your responsibilities changed at all since March?

Our team has had to adjust as most businesses in the way we communicate during this time. All the state and local jurisdictions that we have been working with since March have adapted to the "new normal" and have been extremely flexible with virtual calls, board meetings, etc. Because of this, we have not seen a slow down on incentive proposals and approvals.

Two years ago, the tax credits & incentives team became part of DHL's real estate solutions function. Real Estate Solutions is a full service real estate development platform within DHL. This allows DHL to have a more strategic approach to supply chain real estate and ensure our customers are in the optimal site location. DHL can construct a built-to-suit solution and provide the best occupancy option for our customers and third parties. The integration of the tax credits & incentives team into real estate solutions has made DHL better positioned to maximize tax credit and incentive services for us and our customers. Learning the real estate development side has allowed us to better partner with government for the overall projects.

What changes has your group made to adjust to the COVID-19 pandemic?

As the largest third-party logistics provider, DHL Supply Chain provides essential services to help millions of people have medicines, food to eat, clothes to wear and provide them with all they need for their businesses and homes. DHL reacted quickly to implement safety protocols across all sites – to not only ensure the safety of our associates and customers, but to ensure that as an essential provider there were no disruptions to the supply chain.

DHL Supply Chain's corporate headquarters, located in Westerville, Ohio, has been flexible with the work environment changes. The health and safety of our associates, customers, and their families is the top priority for DHL. Every aspect of the facility was reviewed and safety protocols were implemented such as remote offices, temperature checks, mask requirements, social distancing and rotation schedules, to ensure that all associates could return to the new "normal" office environment.

Has the pandemic affected the projects you have been working on and those that are in the pipeline? Have the timelines been accelerated, or have projects been put on hold?

Depending on the industry, we have experienced both. Some customers have higher volumes of product moving through the supply chain than ever before and others have temporarily put projects on hold.

For example, within our life sciences & health care sector, we have seen increased demand of volume along with accelerated timelines to deliver PPEs and medications.

Have you seen state and local jurisdictions becoming more flexible or creative in order to adjust to project needs during the pandemic?

Yes, we have seen a willingness of state and local jurisdictions to be flexible in order to get a project accomplished. Not only has there been great cooperation with tax credits and incentives, but with other government processes such as permitting, zoning and from other regulatory bodies. Jurisdictions are utilizing emails, virtual calls and meetings to limit the amount of time needed onsite to help prevent the spread of coronavirus.

How are supply chain changes impacting your job?

The pandemic has caused a shift in the source of product demand. There has been an increase of demand in the ecommerce channels and a decrease in the retail channels of supply chain. In addition to the shift in demand source, the inbound material from manufacturing that was in process prior to the pandemic is still being shipped to United States. All of this combined has created a need for additional warehousing space in the market. There are limited properties and space in optimal distribution locations available – leading to a lot of potential new warehouse development. DHL has seen an increase in requests for built-to suit warehouse development from our customers.