

# Federal express



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## Federal Express

### Brief History

Federal Express or more commonly known as FedEx has made his mark around the world as the courier company that they can trust and rely on. Some of the services that FedEx offer are overnight courier, ground, heavy freight, document copying and logistics services. It has been providing services around the world for thirty five years now. They prided themselves as being a courier company that is always on time. As their famous tagline goes, “ The World On Time”, it tries to embody the employee’s efforts to make sure that the package arrives on time. It became so famous that even Merriam-Webster's Collegiate Dictionary has added the word " FedEx" as a verb in their 2006 edition (Wikipedia).

Former U. S. Marine Frederick W. Smith is man behind, FedEx or Federal Express as he has named it before. Its first station was in Little Rock, Arkansas, however it move to Memphis, Tennessee in 1973 after Little Rock airport officials did not concur to permit FedEx to use facilities for the fledgling airline (Wikipedia). FedEx is also the first courier company to use jet aircraft for its services. Trough the years, they were able to acquire different carrier companies as part of their expansion making their service more reliable and efficient.

### FedEx and Kinko

FedEx did not only stop in acquiring different carrier companies but also other companies that provided services that are not in their line but is beneficial for them. One of these companies is Kinko’s. Kinko's is a chain of

stores that provide printing, copying, and binding services. It was built by Paul Orfalea in 1970 and it was bought by FedEx in 2004 for \$2.4 billion. Today it is one of the booming service businesses of FedEx expanding their FedEx Kinko's branch not only in the United States of America but also in Australia, Canada, United Kingdom, Mexico, China, Japan, Korea, Netherlands, United Arab Emirates, and Kuwait. Now, they are also able to provide video conferencing facilities for their primary clients that is the small business and home office clients (Wikipedia).

### Competitiveness

The 21st Century is an era of great technological development. It is an era of great change and multiple innovations. Great minds are always at work today and there is always something new is being presented to the consumers. FedEx makes sure that they stay competitive in the market. One of their strategy is making sure that since they are not just a global company but is accompany that is competitive anywhere as well. FedEx regulations adapt the local laws and to adhere to the highest standards of integrity and ethics everywhere in the world. They see that adapting what is locally accepted in one place maybe restricted in another place that is why they are flexible in handling their manpower and services (FedEx, 2003).

Laws and rules make sure that the competition within a market stays just and fair. When a company operates internationally, there are competition laws that exist within and outside of the United States of America. The laws outside is also called the Antitrust laws, which were designed to make sure that no single company has a monopoly on providing a service or a product (FedEx, 2003). Every company needs to comply with the competitive free

market system as they compete in the marketplace. Thus companies merits on services, prices and customer loyalty. A business or companies success is sometimes measured in comparison with its competitors. Major competitors of FedEx include DHL, TNT, UPS, and the USPS.

### Strategy and Productivity

Business risk is the intrinsic risk in a corporation or any business institution before arrears is invested in. This kind of risk is dependent on a number of factors such as , fixed versus variable costs, economic periods, interest rates, ability to change prices, inflation, volatility of input costs, and sensitivity of sales to economic factors (Brackers). Handling business risk carefully needs a strategy that will not jeopardize the principles of the company while gearing towards success. Creating a balance between financial, environmental and societal growth is a difficult task but is very critical if one company would like to make sure that they are to stay for a long time in the market.

One strategy that FedEx engaged in is helping medium-sized companies around the world to become competitive exporters by offering the PyMEx program. This program is launch in six Latin American countries to help medium scale companies know the ins and outs of the international trade and at the same time FedEx providing the services that they need to become more competitive players in the global marketplace. With this goal in mind, PyMEx provides export seminars and practical workshops throughout the region prepare them for the international commerce. The seminars feature subject matter experts in local export issues, new shipping technologies, distribution and cost-saving strategies (FedEx Press Release, 2006).

Another strategy that they have used to increase their market scope is developing the software that offers greater convenience for customers of FedEx Kinko's. They have launched a tool that would increase customer satisfaction while generating revenues. This tool aids in the online printing services of the company. This application will enable clients that use Microsoft office software easy access over FedEx Kinko's offices and print centers nationwide. What they have developed is a print ready file for the customers for them to be at ease in doing their businesses online. They understand the time constraint in any business that is why they offered convenient access over their printing services and shipping online (Zeitlin, 2006) Innovations are being developed to ensure that customers are satisfied with their service that in return will give them more loyal customers because of their satisfaction.

### Product and Service Design

Understanding what one company has to offer regarding their products and services helps a customer decide if the company is worth of their loyalty. A customer will appreciate services and product of a company if they can easily understand the concept tat one is implying. This means making the whole package of their business. When a company expands globally, most brand consultants agree that the common factor to successful nomenclature is clarity (de Mesa, 2004).

The world became a smaller place because of technological development. Global trade is becoming the trend in business. In a global economy, the movement of goods and materials is very crucial for the success of a

company. When one wants to be known globally, it will market its products around the world, thus the right timing of shipment is necessary for profit.

FedEx Corporation provides a vast array of services. In their global conquest, there was a time when the target customers were lost with what services they were providing because some of the names that were first used were not helpful. Classifying the services becomes hard that a change in the global brand management is needed. They needed to find a way of naming their various services and products that could be easily understood and linked to the parent company (de Mesa, 2004). What FedEx has come up with is the FedEx brand married with real English words to describe the operating company, product or service clearly. This enables an easy understanding of what service is provided with a clear association with the brand name. This way of classifying has paid off for the company. The easy-to-understand classification system appears on everything they are all neatly organized under descriptive product-, service- and business-line names. It is truly essential to develop a brand and nomenclature strategy that maps to that definition and plan of the company.

Example of easy-to-understand classification system that FedEx has use will the way they have merged the name of FedEx and Kinko's to come up with the new line of service that they have instead of giving it a new name. This way consumer can easily relate both the company has already established their worth in the market and merging the names makes it even more inviting.

Reliability

Business and companies exist within society and society prescribe behavior norm as to what is expected from them. They must be able to satisfy the needs of the consumer for them to put their trust on the competency of the product that is being market.

Part of corporate governance includes coders of conduct that is on how a corporation operationalizes these values. In a global setting of the market, companies adhered to this governance to compete effectively and ethically. These codes of conducts should also be are made culturally coherent to all of their employees (Wozniak).

Consumers will reward companies that satisfy them and that have given them the kind of service and products that they need. It is not only the loyalty of the consumer that is at stake but also having greater profit. FedEx Corporation's annual revenue of \$22 billion makes them the leading company among the global providers of transportation, e-commerce and supply chain management services. FedEx also got the top rank in the 2002 Small Package Delivery Service Business Customer Satisfaction Study conducted by J. D. Power and Associates. They got the highest mark in terms of air, ground and international delivery services.

There are many factors that one needs to satisfy to help create a reliable picture of the company. When a company's business is on providing services, speed and connectivity are two of the deciding factors. FedEx is in the lead on their pack because of their incomparable connection and speed to the U. S. and our direct connection to Asia. No one in the industry can match that service, simply because no one offers similar connectivity (Smith)

When consumers have tested your service and have proved that they can depend on you, visibility is not a problem anymore.

### Strategic Capacity Planning for Products and Services

A company's logo and tagline are two of the most important factors that must be carefully tailored. It is about what the consumer could associate the products or services with. FedEx logo has gone through some modifications and color change but they did not do any major modifications because they know that this will also affect their status.

Any business needs an amount of risk and determination to succeed. The capital is one important factor that determines the future of one industry that is why it is important that the amount invested in any given company or business is carefully monitored if it is being use to the fullest and if it will augment to all the needs needed to make it. Relying on ownmoney is not enough, more than usual, a company needs to borrow money, maybe from a bank, in order to meet its objectives. This is called leverage in the financing world. Leverage can make or break a company.

In a globalize economy, there are no borders anymore, no more restrictions; the only difference between states will be the time zones but all places are reachable. FedEx has played a part in creating that expectation as our network of companies provides unparalleled access to the modern world. Having extraordinary access around the world needs massive computer networks and connections to make sure that they adhere to theirgoalsand principle; delivering the world on time. The Network Management is the department of FedEx that is responsible in handling process of data collection. They are always on the look for software tools that can improve <https://assignbuster.com/federal-express-research-paper-samples/>



the system that they have to keep up with the demand and expectations of the consumer. The Fedex network services over 220 countries and territories and the tool “ statseeker” is their partner in providing the service needed by its consumers. What made FedEx a leader in the business is their up-to-date technology and applications. They also offer wireless and custom-automation solutions that integrate FedEx applications into customers' existing internal applications and online systems.

### Decision Theory

Handling a company is not an easy task, there are a lot of factors that needs to be considered to make sure that the company stays competitive in the market and is acquiring great revenue. It is important in any job and institution that everyone works as a team. There should be an understanding between members regarding who is responsible with what equipment and with what materials. There should not be overlapping of work and that as much as possible. Sustainable development is about balancing short term priorities with long term needs.

FedEx is an example of a business that is aiming at making their organization fit for a holistic progress. This is not an easy task for there is lot of obstacles that needs to be surpassed in order for one to be achieved. Though the main goal of one person for establishing a business is to acquire profit, he is not resistant to change in order to ensure that his business or company will flourish and will be able to cope up with what the present time is asking for. Knowing in time what could make or break one company is crucial.

FedEx early years were not as commendable as today. It was also a story of hard work and perseverance in the part of the pioneers. There were even an unending series of legal, financial, and operational crises that continually threatened its ability to stay in business. It was not only one man that enable the success of FedEx, it is also a collaborative efforts of everyone that is part of the FedEx team. FedEx overcame impossible odds to become one of the world's greatest success stories, a revolutionary company that truly changed the way the world does business (Roger).

### Process Selection and Facilities Layout

Each component contributes to the behavior of the system. No component has an independent effect on the system. The behavior of the system is changed if any component is removed or changed. The system has an outside - an environment - which provides inputs into the system and receives outputs from the system.

If a service company like FedEx wanted to provide the needed service on time, there should be balance within the facilities that they use. It is imperative for any well run facility (Krabbe).

It is also crucial that potential supplier's goals and objectives be scrutinized well before choosing which is which. FedEx Kinko's Office and Print Services does just this to make sure that money is not wasted and that they will be able to provide excellent service to customers. Services or products presented by supplier are checked by FedEx Kinko's if these have a clear strategic value to customers and/or team members. Another factor that they look at is if the products that they will get will help maximize their performance. Strategic plans are based on total cost management and <https://assignbuster.com/federal-express-research-paper-samples/>

insourcing/outsourcing analysis. It is aligning the supply base with FedEx Kinko's supply chain goals for better utilization. FedEx Kinko's will never compromise their high standards for service and quality from suppliers ().

Courier facilities layout also follows a development framework set by the FedEx facility management. They prefer perpendicular building arrangement in their facilities because it offers the best solution to phasing and the need to balance current airside capacity with landside expansion. It is also aimed that this will also makes truck circulation very efficient as turns are minimized and entry and exit controlled at one point.

### Linear Programming

Optimization techniques is a key tool for shipping companies like FedEx to efficiently use and allocate limited resources to meet their goals and objectives. The efficiency of the use of transportation resources is an important concern FedEx business. The size of shipment also has an effect on their business that is why a large shipment size is favorable (Akcali and Bakal).

### Design of Work Systems

Better organizational skills are needed by a management team that is gearing towards success. Culture set the business behavior that surrounds a corporation's code of conduct. These factors include how we perceive the environment, time, power, structures and space; the emphasis we place on relationships or tasks, on individuals or the collective; how we think and communicate. Productivity within a team needs to be established for this is critical regarding the success of a company. Work related goals must be set

and let the employees be aware of these and how it could be achieved. A power map of the management team is needed to make everyone realize who answer to whom and to analyze if the power that they are imposing is within their job description.

The greatest asset of FedEx is their people because this makes their business possible. They train their workforce to have the necessary skill and be able to give a top rated performance (FedEx, 2003).

### Learning Curves

Life is a continuous process of change and evolution. The only thing constant in this world is change. In order for an individual to grow, he needs to make a sound decision about the changes that he is going to adapt. The same thing goes for a business establishment or any country. Business and companies exist within society and society prescribe behavior norm. Success is nothing if you can not measure it.

Sustainable development is about balancing short term priorities with long term needs. FedEx needs to keep an eye on this outstanding plan that they have. Implementation and evaluation would play a crucial part in determining the outcome. FedEx tie up with different companies is never ending long as they know that doing the merge will help them ion achieving a holistic development. One of this merge is with Distributed Smalltalk; this company helps them improve enterprise system performance, flexibility and efficiency. This is done by processing of main delivery tracking system to local distribution sites to continuously scale its systems to meet ever-growing delivery needs ().

## Location Planning and Analysis

Strategic locations of FedEx centers are placed where the consumers can easily access them. FedEx World Service Centers are positioned in urban business districts, airports, busy access roads nationwide, as well as in more than 60 U. S. Kinko's branches. To make sure that the system in the FedEx World Service, the company managed the operating hours, specific locations, and pick-up times for all Center locations. They also have integrated a network of subsidiaries operating independently to help in the business. Some of these would be FedEx Express, FedEx Ground, FedEx Logistics, FedEx Custom Critical and FedEx Trade Networks ([http://www.fedex.com/us/about/news/pressreleases/archives/pressrelease203394312.html?link= 4](http://www.fedex.com/us/about/news/pressreleases/archives/pressrelease203394312.html?link=4)).

## The Transportation Model

Transportation is an important factor in making sure that everything is delivered on time that customers are provided with customized and cost-effective solutions. FedEx bundled the service provided by other FedEx operating companies to make sure that they can use ocean or air transportation as needed. This bundled service enables FedEx to ship from Asia and Europe to multiple destinations within North America. They are able to manage the entire transportation process from origin to destination without the complexity ([http://www.fedex.com/us/about/news/pressreleases/archives/pressrelease220320099.html?link= 4](http://www.fedex.com/us/about/news/pressreleases/archives/pressrelease220320099.html?link=4))

## Quality Control

It is easy to acquire a debt but maintaining its positive impact in one company needs a lot of effort and planning. Business risk should be managed well and risk should be realigned in a way to cut costs; Optimized firm's operating and financing costs; Trade off fixed charge and variable charge costs; Risk management; and when to increase and decrease risk. It is a competitive market and company owners must do everything to have a positive net value profit, because having a positive one means that the company is able to gain from the investment that they have made. All other things being equal, the better investment is the one with a shorter payback period.

In any given industry, there are some industry norms that set how a company in a specific industry sets their capital structure. This is also synonymous to the level of business risk to be undertaken that would be acceptable in the industry. These industry norms should serve as guides for the companies included in the industry and not to be followed blindly as there are always exceptions in any rules (Brackers).

Competition becomes beneficial for one company when because without it there will be no need for innovations and changes in the industry. Consumers have a choice thus companies are always evolving to make their products and company more appealing. Consumers would want something and would need something that they can use anytime and anywhere without so much conflict. A standard that is refined and implementable.

### Aggregate Planning

The whole is greater than the sum of its parts. This is a comment made by one of the top ranking officials of FedEx regarding their acquisitions as part <https://assignbuster.com/federal-express-research-paper-samples/>

of their business strategy. They have employed aggregate planning in the acquiring The American Freightways and Viking. As information system is still in the process of integration, shipments from these two acquired company were allowed to move anywhere in the country in up to four days This gives FedEx a competitive edge because the integration will offer an advantage over stand-alone regional companies (<http://www.fedex.com/us/investorrelations/financialinfo/financialreleases/111300.html>).

### Supply Chain Management and Inventory Management

Integrated supply chain management is one of the competitive strategies used by FedEx to make sure that they stay on the lead. Having a service delivery that is on time is not possible without having other networks to back them up. Integrated supply chain management enables FedEx to work more closely with their suppliers and customers to meet their needs.

The FedEx Center for Supply Chain Management's goal is to help local, national and international organizations meet their key supply chain management challenges. (<https://umdrive.memphis.edu/g-cscm/www/>)

Any business needs an amount of risk and determination to succeed. The capital is one important factor that determines the future of one industry that is why it is important that the amount invested in any given company or business is carefully monitored if it is being use to the fullest and if it will augment to all the needs needed to make it. Capital Structure is the magnitude of debt financing as opposed to equity financing. Relying on own money is not enough, more than usual, a company needs to borrow money, maybe from a bank, in order to meet its objectives. This is called leverage in the financing world. Deciding on capital structure is critical. Changing the <https://assignbuster.com/federal-express-research-paper-samples/>

company's financing weights can also modify the cost of capital. Determining the value of an investment and projects rely on the appropriate budget that one company allocate for his capital and the required return for it. It is easy to acquire a debt but maintaining its positive impact in one company needs a lot of effort and planning. Business risk should be managed well and risk should be realigned in a way to cut costs; Optimized firm's operating and financing costs; Trade off fixed charge and variable charge costs; Risk management; and when to increase and decrease risk. (Brackers, 2004) FedEx recognized that supply chain management is not about supply. It is about demand. This is based on real-time information about sales and inventory that would help in creating a balance in the system (<http://www.fedex.com/us/about/overview/economy/supplychainimpact.html>).

## Maintenance

As a company grows, it struggles with balancing demand and supply, needing more of management's attention thus making them out of touch to the needs of their consumers. In any given industry there is a regulatory authority that helps in making the competition fare and ensuring that the right of companies within is being protected.

Business is not only about numbers and figures but also what society is expecting that is also a company is over- all perceived. There are three essential foundation of a successful business; financial, environmental and social performances.

A company lay down factors or guidelines for their services and manpower in order for them to gauge if they met their goals or if there is a problem within <https://assignbuster.com/federal-express-research-paper-samples/>



and how to address it. There are factors that need to be considered when one company tries to check if its service and manpower are able to meet the goals and objective set. Each level of manpower has their own criteria in evaluating their work. Performance evaluation could not be an all uniform assessment because of the difference in workload and capacities of each profession. The criteria may be different but there could be similarity in the values that are being asked for any profession, it will just vary on the intensity that is being asked for each value used as a criterion. All results have their corresponding actions or appraisal depending on their needs as dictated by the result.

### Project Management

Creating a balance between financial, environmental and societal growth is a difficult task but is very critical if one company would like to make sure that they are to stay for a long time in the market. Competition becomes beneficial for one company when because without it there will be no need for innovations and changes in the industry. Consumers have a choice thus companies are always evolving to make their products and company more appealing.

FedEx wants to make sure that their business is running smoothly. The division of FedEx Information Technology has embarked on a five-year development plan of a macro-scale model that predicts staffing, training and infrastructure. Its system was based on regressions on business, system and productivity metrics coupled with business projections. The model has provided the impact on workloads and productivity of the IT organization. FedEx was able to see what is needed to improve human resources

strategies (Williford and Chang, 1999). Implementation and evaluation would play a crucial part in determining the outcome.

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