

# Fedex case

Business



Federal Express.

2. 1970s: service was measured by percentage of overnight deliveries that were made on time  
3. 1980s: Fedex managers concluded that high service percentages would not be sufficient in the future - To strike the best movement toward 100% customer satisfaction. (as Frederick Smith mentioned - " The first time you tolerate anything other than a movement toward 100% customer satisfaction, you're on the road to mediocrity. " attains this philosophy from both focus and broad views.

It is broad in that it covers all the areas from Leadership, Information Technology, Human Resource Utilization,

Quality Assurance of Products and Services, Quality Results and finally, Customer Satisfaction. It is focus in a sense that it excels in all these areas. FedEx was the first company to win in the service category in 1990, since the award was established in 1988 - Malcolm Baldrige National Quality Award (MBNQA), with 160,000 requests altogether. It. FedEx only recognized the highest rating of " completely satisfied" as an acceptable level of customer satisfaction in its Customer satisfaction surveys, aligned its measurement improvement towards its goal of 100% complete customer satisfaction. FedEx Quality " Productivity philosophy - Recognized the correlation between doing things right the first time and productivity: good relationship between customers and suppliers The ways FedEx's systems fit in the context of its corporate philosophy - In 1980s it adopted quality-improvement process (QIP) to support P-S-P i.

Recognized the correlation between doing things right the first time and productivity (quality = productivity) it. Defined quality service not in statistical terms, but as performance to the standards of the customer: 100% satisfaction

FedEx implemented “ quality-improvement programs” in 1990 even at tough economic times - with oil prices had more than doubled between August and December 1990. This could reflect the persistence in aligning the corporate - As support to its “ quality-improvement” philosophy, by mid-1987, FedEx selected consulting firm - Organizational Dynamics Incorporated (ODI) at times when FedEx struggling with problems internally (rapid growth in overnight service) to initiate a companywide education program on quality, focused more on the thought processes in quality improvement. residents and managing directors orkshops for employees i. Led workshops for senior vice- it.

Trained managers to facilitate - As support to its “ quality-improvement” philosophy, it implemented framework of ideas in the modules above, it set up “ quality action teams” (QAT) - to help employees to change the way they did their Job i. FADE framework: Focus Analyze Develop Execute members it. Extensive training given to QAT iii. Focused on small, incremental changes Outcomes: i. Creative solutions through employee involvement and careful analysis.

E.

g. devised mnemonic devices to help new employees remember the abbreviations or destination cities, saved estimated IJS\$3 million in training  
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costs Cultivate a culture of continuous improvement - constantly changing the system to improve the service to customers - As support to its " quality-improvement" philosophy, in late 1980s it set up " service quality indicators" (SQI), to give customer satisfaction measurement with weight and points assigned to every package with refer to list of all things that could go wrong with an overnight delivery.

The number was then combined from each customer complaint, for tracking, comparing and communicating to every employee in daily basis. As support to its " quality-improvement" philosophy, Customer satisfaction surveys on both general and segmented studies were conducted. Quarterly, customer satisfaction study was conducted by phone across FedEx's four main market segments with a five-point satisfaction scale. It also utilized targeted customer satisfaction studies to gather more feedback from customers.

- As support to its " quality-improvement" philosophy, it carried out Customer / Supplier Alignment (CSA) process for internal service. . One party listed and ranked the ten most important services that party provided to his or her internal customer t. That same party listed how well he or she supplied the customer's needs, thereby rating his or her own performance iii. The other party went through the same process CSA also uses between employees and managers - As support to its " people first" philosophy, set up ' guaranteed fair treatment within 21 working days. - As support to its " people first" and " quality-improvement" philosophy, Survey Feedback Action was used to solicit employee feedback.

i.

Total involvement of everyone makes people committed leadership it. Measurement of quality on iii. Continuous improvement which look for ways to correct or prevent problems - As support to its " people first" and " P-S-P" philosophies, Leadership Evaluation Awareness Process (LEAP) was set up to evaluate, consider and guide potential managers about the challenges connected with leading people. - Innovative and Risk Taking culture: As support to its " quality-improvement" philosophy, FedEx fostered a culture that stimulated innovation and created a workplace to encourage the motivated people to innovate and dare to take risk.

And to align with its " people first" philosophy, FedEx had a no-layoff policy, which secured employee's Jobs and enabled its employee to take risk.

. How has FedEx used information technology to provide 100% customer service? COSMOS (Customer, Operations, Service, Master On-line System) Every package that entered the FedEx system was tracked by a central computer system, with worldwide network transmitting customer information to and receiving it in a central database. The system was continuously updated with new information about package movements, customer pickups, invoices, and deliveries.

Supertracker The overnight package was tagged with a 1D-digit bar code, as a protocol to transmit information from courier's hand-held computer to COSMOS. Digitally assisted dispatch system Each courier van was equipped with the dispatch system with interactive screens in their vans. The system communicated to approximately 30, 000 couriers through the network.

Powership FedEx provided a computerized shipping management system (Powership) to allow customer to print air bills for programmed addresses, download transactions to FedEx, manage accounts receivable, and track packages through COSMOS.