

# Fedex in china write up essay examples

[Business](#), [Company](#)



## **Introduction**

Fred Smith founded FedEx in 1971 with a \$4 million inheritance from his father. He developed the business concept as a solution to research problem while studying at Yale University. FedEx pioneered the express mail delivery industry, with the launch of official operations in 1973. The firm was quick at adopting new technologies to enhance efficiency, notable innovations include barcode system and parcel tracking system. The company entered the Chinese express delivery market in 1995 following the acquisition of Evergreen International Aviation, Inc., the only company at the time with the permission to conduct direct flights from China to the United States. FedEx had earlier acquired Flying Tigers line that gave FedEx access to air route connecting Japan and China. These acquisitions made FedEx the first international express logistics company offering direct flights into China. Thus, the paper focuses on the recommendations that the firm should consider to continue operating profitably in the Chinese market. Based on the case study, FedEx should focus on its core competencies to create opportunities in new arenas if innovation and improving loyalty.

## **Recommendation 1 Innovation**

Even though FedEx was a pioneer of the express delivery industry when it introduced a website that could allow customer to track packages in the mid-1990s, barcode scanning and tracking remains the norm in the industry today.

## **Justification**

FedEx can has the opportunity of generating more business and even further bolster its reputation for accurate, on time delivery by offering customers with real-time tracking of parcels for an extra fee. First, scanning using barcode is a tiresome process that lacks accuracy. Switching to radio frequency identification (RFID) tagging for packages will help to save cost in the long-term and enhance accuracy because RFID can hold more information than can be accessed within a given range. The firm can enhance this by installing GPS tracking on all modes of delivery such as trains, trucks, and planes.

## **Implementation**

Merging these tracking technologies would not only allow customers to when the consignment enters or leave a port, but will provide the exact location the plane or track is at a given time. This helps them ascertain the time of delivery. An analysis of the industry leads to the opinion that offering the option of GPS on a package for an extra fee would help the firm. This would prove useful when delivering important or highly sensitive documents and other valuable items to ensure safe delivery to the customers. Although the costs involved in offering such services may outweigh the monetary benefits, the intangible benefits associated with this extra service would be valuable to the overall business in the near future.

## **Recommendation 2 International expansion**

FedEx should continue investing heavily on international expansion as it has the potential for higher returns to the firm.

## Justification

The domestic market does not offer growth opportunities, whereas the international market place presents a bigger playing ground with more growth opportunities and increased operation. Industry reports projects a growth of 5-6% for the international package market in the coming years.

The company should continue investing in capital infrastructure, planes, and trucks especially in China, but also focus on penetrating into foreign markets by partnering with local carriers.

## Implementation

The company has the technology, financial muscle, and capital necessary to elevate a foreign, regional player to international level. This would help FedEx to boost its operation and receive valuable local insight into a relatively foreign and unknown market. FedEx should consider entering into contracts that allow it to purchase the said companies for a given price in anticipation of profitable future by expanding its operations in that market.

## Work Cited:

Leong, Jin and Chen, Ming-Jer. FedEx in the Chinese Express Delivery Market: Face-Off in the Forbidden City. Harvard Business Review.