

Technology delivers at fedex



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Introduction Organizational technology is the foundation that builds successful companies across the world. FedEx has used and will continue to use technology as a catalyst to promote growth in a continually changing global business environment.

Team A will explore and define FedEx's plans to use emerging technology to sustain and/or gain market share. This study will identify how the organization deploys current technology, performs value chain analysis, manages change, develops social contracts, and approaches global challenges. About FedEx FedEx is a network of companies that provides specialized shipping, global trade, supply chains and information services to its customers. The organization's service area includes 220 countries and territories including every address in the United States while employing more than 270, 000 people worldwide.

FedEx Facts, 2007) FedEx Corporation has a global headquarters in Memphis, Tennessee that leads the operating companies bearing the FedEx name worldwide including FedEx Express and Home Delivery, FedEx Ground, FedEx Freight, FedEx Kinko's and Print Services, FedEx National LTL, FedEx Custom Critical, FedEx Trade Networks and FedEx Supply Chain Services. (X Facts, 2007) The 670 plus aircraft in operation at 375 airports worldwide demonstrates the size of the FedEx network. In addition, more than 70, 000 motorized vehicles that operate to support company express, ground, freight, and expedited delivery service. Customer base includes 15 million unique visitors monthly (What is unique about the visitors and what are they visiting?), three million package-tracking requests daily, and 15 million

packages shipped via FedEx Ship Manager monthly. FedEx has built the business by providing exceptional customer service.

This is reiterated in the company's mission statement below. (About FedEx History, 2007) “ FedEx will produce superior financial returns for shareowners by providing high value-added supply chain, transportation, business and related information services through focused operating companies. Customer requirements will be met in the highest quality manner appropriate to each market segment served. FedEx will strive to develop mutually rewarding relationships with its employees, partners and suppliers. Safety will be the first consideration in all operations.

Corporate activities will be conducted to the highest ethical and professional standards. ” (About FedEx, 2007) FedEx is committed to making each customer's experience positive as the company strives to uphold its promise “ We Deliver”. Technology plays a key role in the organization's ability to continually support customer service goals. Assessment of Current Technology FedEx's technology is constantly trying to keep up with the latest technology.

They are able to do this by using the 95, 000 square feet of the FedEx Institute of Technology located at the University of Memphis, TN. This facility is responsible for areas of research including research centers such as the Center for Artificial Intelligence, Center of Next Generation Transportation and Cyber Security Center. This institute and the engineers work with the managers of FedEx to obtain best technology available. Currently at the FedEx Corporation, the organization is keeping up with the wireless industry.

One article states, “ Realizing the i00000000mportance of wireless technology, FedEx recently added several new wireless applications to support customers and couriers as they ship packages” (The Wireless Nation 2006, p. 4C). This technology allows customers the ability to view their shipped packages by FedEx while on the go. The technology is indicating to the consumers that their products will have the ability to be tracked and show progress at all times. This requires the managers to keep up with the package movement by increasing speeds and productivity levels.

FedEx also works on keeping their fleet up to date with technology. “ FedEx Freight is moving forward with a plan to expand technology on its trucks, adding new collision warning systems and onboard data recorders. FedEx Freight equipped 60 percent of its fleet with Eaton VORAD collision warning systems. The radar devices contributed to a 55-percent decline in rear-end collisions by FedEx Freight trucks in the last year” (FedEx Freight 2006, p. 24).

The technology can act as a supervisor inside of the truck at all times. If an incident occurs on a truck, the supervisor has the ability to view what happened and make a determination from the data recorders. Before these were installed, the managers did not have the issue of closing monitoring of drivers while in the field. “ As competition grows hotter in package delivery, Federal Express Ground, a division of FedEx Corporation, is cooking up some new technologies. The delivery people who drop by your door are swapping out their old handheld scanners for new Bluetooth-capable PocketPC models” (FedEx Ground 2004, p.

NA). It is important to update the employees with new technology to meet the customer's needs. The issue manager's face when implementing this new technology is being able to train the employees to use the technology at its full capacity. For example, if an employee does not understand how to operate a new scanner and enters the data later, this will show the data as inaccurate and present false data to the consumers. The technology above affects the management functions of planning and organization in many different ways. For example, with all the new technologies, this requires managers to allow for more time and money when training the employees on the new technology.

A manager must be able to plan enough time to take the employees out of the workforce and into a training session. This requires the management staff the need to organize a way to keep the business running at full capacity while lacking some of the staff. This technology will also create the need for a new department or team to deal with any issues of upgrading or repairing the technology. The management team must evaluate the technology to compare what it can do for the company and make FedEx more efficient. The managers need to plan to lessen one area of operations to allow for more technical support.

What does this mean?) It is imperative that the management staff at FedEx ensures they are fully aware of the company philosophy as well as the technology available. To lead successfully, the management staff needs to know exactly how to use their software and hardware. It is important to also know how their portion of the company relates to the company as a whole.

The best managers are those who are able to perform the functions of those workers who work for them.

This ability sets the manager apart as more than a manager – he becomes a leader. A worker will follow a leader who exhibits competence as a manager. The worker knows that he can trust his leader to watch out for him, ensure his workload is sufficient, but not over-bearing, and stand up for the worker as well. Workers show respect for their leaders in many ways, such as putting forth their best effort, wanting the department to meet and exceed its goals, and work within the team atmosphere.

A package that does not get delivered to the correct location and on time reflects poorly on the entire company, not just one department or one individual. Controlling as a function of management involves ensuring that all the departments are functioning. If packages consistently are not reaching their destinations, it is important for the management staff to determine where the problem lies and then work to rectify it. Controlling also means ensuring the objectives of the company are met. If they are, it is important to determine ways to enhance customer service.

If the objectives of the company are not being met, management needs to begin analysis to pinpoint the actual problem and not to just address the symptoms. Once the problem is identified, it is important to carefully determine some ways the problem can be eradicated. Once the problem has been identified and some solutions identified, the next step would be to swiftly implement needed changes. If the changes are not swift and efficient, management has failed to meet the needs of the department and the

company. It is extremely important for managers to be aware of all the functions of management: planning, organizing, leading, and controlling and how they relate to the entire company.

When processes fail, it is important to determine the best solution to ensure customer satisfaction while increasing profits. It is important to expend the time and money necessary to ensure that all personnel are trained on the technology needed to be successful in their jobs. It is imperative that upper management support lower and mid-level management by ensuring there is training available for them as well. Value Chain Analysis To better understand the activities through which a firm develops a competitive advantage and creates shareholder value, it is useful to separate the business system into a series of value-generating activities referred to as the value chain (NetMBA, 2007).

The value chain is divided into two groups; primary activities and supportive activities. Primary Activities FedEx provides a host of logistics solutions to enterprise customers. These are segmented based on the type of customer needs, ranging from turnkey distribution centers to full-scale logistics services that incorporated expedited delivery. Some of the following are major services provided to the business customer by FedEx: •FedEx Distribution Centers: This service provided turnkey warehousing services to businesses, using a network of warehouses located in the US and abroad. This allowed for instant expansion of distribution capabilities, especially to small businesses.

- FedEx Express Distribution Depots: This service was primarily U. S. based and provided a one-stop source of express distribution capabilities. This service was particularly targeted at time critical businesses.

Shipments in these depots were continuously available for 24-hour deliveries. •FedEx Returns Management: FedEx NetReturn was designed to streamline the return area of a company's supply chain. The Internet-based system gave customers a service that offered pickup, time-definite delivery, and online status tracking and customized reporting that provided complete inventory control. " According to our customers, dealing with returns has traditionally been among the most vexing of their business issues," said Laurie Tucker, senior vice president, FedEx Logistics, Electronic Commerce and Catalog division.

These frustrations combined with today's increasingly short product life cycles have heightened the financial impact of delays in product return processes," she added. Virtual Order: Virtual Order was touted as being " a fully integrated electronic commerce system that offers an easy solution to building an effective online catalog". Initial response to this concept had been encouraging. The idea was to provide an integrated e-commerce backbone, and let the business customer figure out the product offering. The customer could build a catalog from scratch, and use it on this backbone, which incorporated FedEx's traditional services like online tracking. FedEx offered several value-added services to customers in times of need.

As pointed out earlier, the product would frequently originate not from the company plant or warehouse, but a FedEx operated warehouse or a depot.

FedEx sometimes provided a merge-in-transit service to customers like Micron Computers, a leading maker of customized computers that boasted rapid turnaround and delivery. Under the merge-in-transit program offered to Micron Computers, FedEx would store peripherals such as monitors and printers in its Memphis air hub and would then match those products up with the computer in route to a customer, as described in Logistics Management and Distribution Report (Cooke 1997): If a customer in Boston, for example, ordered a popular PC model, FedEx would transport the computer from Mississippi to its Boston station. There it would match that computer up with a monitor shipped separately from Memphis prior to customer delivery.

The FedEx driver would deliver both monitor and printer together. Micron would send an electronic file [to FedEx] that contained their tracking numbers, and FedEx would marry the products at the destination station. ” Typically, neither the final customer nor the business really cared how the product got there, as long as FedEx could take care of the logistics in between. The ability to offer these types of services to their customers has proved to be a big competitive advantage that has separated FedEx from its competitors.

Several of the services described had been pioneered by FedEx, had also been implemented by FedEx’s competitors. Speed of execution was therefore; critical being down the learning curve helped FedEx achieve scale economies faster, while competition was still reviewing and learning from FedEx. Support Activities FedEx’s future success in deploying attractive systems for customers are tied into investments in its own internal IT infrastructure. FedEx performed an overhaul of its infrastructure under <https://assignbuster.com/technology-delivers-at-fedex/>

Project GRID (Global Resource for Information Distribution), developed in part based on customer requests and information. This was performed to help develop an increase in the capabilities in IT, and respond to threats from competition. In April of 1998, FedEx announced that it would link its logistics and transportation operation with a software system from SAP AG (SAPHY).

The system would provide shipping and tracking functions from order entry through package delivery from within SAP's R/3 software system, which was used by several of FedEx's major customers. In April of that same year, FedEx announced another strategic alliance with Interworld Corporation of New York, a provider of enterprise-class Internet commerce software systems. Some of the potential benefits that FedEx hoped to reap from the deal included, •Extended integration for shipment calculations, tax calculations, shipment and tracking, logistics, fulfillment and returns processes. •Extended support for product merchandising, presentation, and product pricing; cross selling and up-selling, promotions, showcases, catalog, full-text and parametric search as well as advanced product relationships. Automated order management for reduced order cycle times, inventory levels, and carrying costs.

•Scalability designed to support thousands of concurrent transactions per second as well as hundreds of thousands of SKUs. •Transparency within the supply chain by providing trading partners, suppliers and customers with information on fulfillment, pick-pack-ship systems, and vendor and inventory management systems (The FDX Group, 1998) These developments suggested that FedEx was increasingly relying on external relationships so as

to maintain an edge in the latest electronic commerce technologies.

Managers and employees constantly experimented and used new developments in technology to create a strong collaborative environment within the company. The use of teams was widespread within the organization, and often, technology served as the facilitator to performing daily functions.

The “military model” was used as a collaborative and managerial metaphor. One of the most important exercises that FedEx officers performed was the Daily Operations Review with the objective of reviewing performance at the Memphis hub overnight. This was conducted along a military format, with rapid-fire inputs from contributing departments like Air Operations, Hub Operations, Customer Service, Computer Systems and Meteorology (Goldberg 1997). The meeting starts at 8:30 A.

M., but participants would already have had the opportunity to review the previous night’s performance through a taped voicemail summary. Customer Links for Billing FedEx expanded its competitive edge by developing a computer application that would be used to help its customers weigh packages, calculate shipping charges and print shipping labels. This system is called Ship Manager. Customers are able to use the FedEx Integration Assistant, which are located at customer sites. The Integration Assistant comes complete with a wizard that will aid the made it much easier for customers to link their invoices, billing, accounting, and inventory systems into the FedEx Ship Master.

The users can automatically upload names and addresses of there they are sending packages with the assistance of a wizard that basically walks the customer through the uploading process. This has eliminated the need for customers to manually enter them into the Ship Master database. Babcock, 2006) FedEx Call Center Technology FedEx has 46 call centers across the globe that handles over 500, 000 telephone calls daily. FedEx Russia’s Web site on the Internet is another technological advance that has increased customer convenience and reduced the need to phone Customer Service. Customers can access information and track their packages at their own convenience. Although these technological developments allow Federal Express to provide prompt and easy-to-access service, customers who prefer the “ personal touch” or who require more in-depth information, can still speak to a call center representative.

Providing accurate and efficient service and meeting customer demands is crucial to the success of the express transportation business. To carry on its tradition of increasing customer convenience and satisfaction, FedEx will continue to pursue improvements to the technology used in its call centers. (About FedEx, 2007) Social and Global Issues at FedEx (Paper 2) Social Contract FedEx has a social responsibility to not only its employees but also the communities it serves on a daily basis. These responsibilities extend pass the immediate relationships seen on a daily basis. FedEx relies on its employees to remain professional and illustrate lawful and ethical behavior.

Customers, employees, service providers and others routinely present ideas and opportunities to FedEx. Likewise, in the course of employment with FedEx, employees may be presented with, or discover, ideas or opportunities

for new business or investment. These opportunities and ideas are the property of FedEx. Employees are prohibited from taking such an idea or opportunity for their personal benefit without the prior, written consent of FedEx's legal department. All company assets, including FedEx information, should only be used for legitimate business purposes. Privacy of Information Using confidential material information for trading securities, or tipping others to trade, is both unethical and illegal.

Material inside information is any information about a company (FedEx, our vendors or customers) that has not reached the general marketplace and is likely to be considered important by investors deciding to buy or sell securities of that company. Care must be taken not to make such information available to others (e. . . , a relative, colleague or friend) who might profit from it. Additionally, directors, officers and managing directors (and their immediate family members) are prohibited from trading in FedEx shares during quiet periods. Access to Information FedEx has informed its employees to have no expectation of privacy regarding FedEx computer resources.

Unless prohibited by law, FedEx reserves the right to access and disclose all information contained on FedEx computers, at any time for any reason. Falsification or unauthorized destruction of any company document or record, whether on paper, tape, disk, video, electronic media or in any other format, will not be tolerated. FedEx maintains a system of internal controls that, among other things, ensures the integrity and accuracy of FedEx's financial records. FedEx's retention requirements are frequently based on specific statutory and regulatory requirements that are unique to a particular

business operation. Such retention requirements apply to all FedEx documents, including email and other electronic records. Technology Links Employee and Customer Services FedEx uses technology to communicate information to employees and customers.

Methods of communication include the Internet, monthly company papers, teleconference calls, video conferencing, email, and interactive broadcasts. Communicating company goals, reporting company status of activities that contribute to the goals and sharing information across the organization has been accomplished through the use of technology. The company also provides stockholder and customer information in these communications. The company has an ethical and lawful obligation not to misrepresent the information.

Employees use timekeeping technology to automatically update computerized payroll applications in Memphis, Tennessee that process all employee checks for time worked and expense reimbursements. FedEx employees and customers use technology to track the status of package delivery. FedEx uses navigation technology both in the company planes and ground vehicles to deliver packages worldwide. FedEx packages receive a computer-generated bar code that is automatically entered into the package-tracking database. FedEx personnel use wireless devices to scan bar code information of packages tracking package location from customer drop off to the final delivery destination. Customer service representatives have the ability to see critical account information through FedEx network infrastructure and the authority to discount customers up to 1, 000 dollars without manager approval to resolve customer issues.

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Code of conduct and ethical practices taught to the employees prohibit the misuse of customer or employee information. In addition, company assets should only be used for company business and it is unethical to extend discounts to family and friends. FedEx Code of Business Conduct and Ethics) The Purple Promise is one of the company's most highly coveted awards given workers who performed an outstanding act to improve or ensure the customer's service meets or exceeds the company's standards. This award can only be received for employees who are nominated by the customer. FedEx has created a dedicated web site that explains what this award stands for and commemorates those who have won by posting each award for all employees to read.

(FedEx, 2005) Technology is used to communicate and motivate employees across the organization. FedEx believes strongly in giving back to the community and awards employees who participate in such activities such as March of Dimes and United Way. Employees' participation receives notoriety through electronic publishing, local papers and television; company Internet, and interactive broadcasts. FedEx has developed company logos for each arm the organization.

These logos are placed on the packages, advertising, company vehicles and planes, computer web sites, personnel uniforms, and other property or assets used in the organization. Technology was used to make, apply, and broadcast these company logos that represent the company's image and service provided. Misuse of these copyrights and trademarks would be unlawful for the public and employees. FedEx uses employees throughout its advertising and company Intranet to convey messages to customers and

potential employees. (FedEx Careers, 2007) Technology to Secure Company Assets FedEx invests heavily into technology to secure company assets, prevent intrusion into company information, protect customer account information, and protect against confidential information reaching unauthorized people. Failure to secure these assets and information could lead to insider trading, espionage by competition, or other unlawful events that could tarnish the company's reputation.

Employees are also directed to protect their passwords and access information from unauthorized people to prevent security system compromise. Failure to adhere to these company rules can lead to disciplinary action or termination from the company. Technology and Training FedEx takes advantage of technology by developing online training that can be distributed to employees throughout the organization. Computer training is an inexpensive way used to teach employees different company policies, procedures and most importantly, how to perform required job tasks. Ethics and code of conduct training is accomplished through online training that provides interactive computer simulator scenarios for employees to work through as they apply lesson plan materials to real life situations.

Safety and first aid training is also provided to employees through online computer animation making the classroom material more effective while providing for virtual simulation to apply knowledge. FedEx has a Technology Center where new technologies are evaluated to improve business operations. This center has employees who continually evaluate technology for ways to incorporate it at FedEx that will result in improved productivity,

lowered operating costs, and improved customer service. In addition, computer training is developed from this center to teach employees to use different computer applications, use of equipment, and company processes to follow. Global Issues FedEx continually faces challenges when dealing with global Internet policies. The Internet is a great tool for communication and doing business with clients all over the world.

However, certain policies, laws and security issues can affect how FedEx may or may not be able to continue the company's global expansion. Millis (1998) states, " The lack of international encryption and digital-signature standards is slowing adoption of Internet commerce, according to analysts. Encryption will allow credit card and other sensitive information to be sent over the Internet safely, and digital signatures make it possible to verify who is sending an online message, which is necessary for contracts and other legal documents" (p. 3). Certain country will have different policy and laws when dealing with Internet transactions. The issue of integrity and the transaction holding up as a legal document is one way that affects FedEx's ability to expand globally.

Each country will differ on the criteria of what is a legal document in an online form. If a problem occurs in a contract and one country does not abide by the rules, it can be difficult to take action and seek justice from that consumer. This may cause apprehension by FedEx to pursue any further expansion in these countries. According to the website, www.fedex.com, " FedEx began building its international network early on with FedEx Express and today that network is unsurpassed, providing access to more than 220 countries and territories worldwide.

” This global expansion prompted the need for special cultural considerations that can affect the company’s ability to operate effectively in a global market. Such issues are language barriers, world holidays, converting to metrics, and also converting currency rates – which can change rapidly. To ensure smooth global operations, FedEx has issued and maintained several policies, such as the Environmental Policy Statement. This statement provides strict regulations on their own activities, stricter than many of the smaller country’s regulations in which they operate. FedEx steps up to the plate to help out with delivery of food and supplies during natural disasters, such as during the Southeast Asia Relief efforts.

The website states this about an organization, ORBIS International: Sight is a precious gift. FedEx is proud to help ORBIS International provide eye care and treatment to people in developing countries. ORBIS uses a converted aircraft as a “ Flying Eye Hospital” where its international medical team performs eye surgeries for the needy and shares their skills with physicians from the host country. ” These types of policies and services have helped FedEx bridge the cultural gap and be welcomed into countries worldwide. Technology Issues FedEx is a leader in recognizing that accessibility to its products and services are critical factors in acquiring and retaining its customer base, both nationally and internationally.

Management personnel had the foresight to combine their knowledge base in ensuring that the products were accessible by utilizing the “ Access Index”, which was developed by SRI International at the request of FedEx executives. The index provides FedEx with insights into the power and the importance of the concept of access at the national level. FedEx realized that

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access would increase its ability to improve current condition as well as future prospects. To accomplish this fete, FedEx combined all equipment, technologies, human resources and systems to accelerate velocity, reducing the delivery time and guaranteeing time-definite deliveries. FedEx also is big on wireless technology.

Since delivering its first packages overnight to 25 U. S. cities in 1973, FedEx has grown into a multibillion-dollar corporation with air and ground forces that handle upwards of 6 million packages per day. Key to the company's success has been its use of network technology – particularly wireless – that enables FedEx to keep customers informed about package whereabouts and employees up to date on information they need to speed package pickup and delivery (Network World, 1994-2006). Winn Stephenson, senior vice president of technology systems at FedEx Services focuses on the importance of the group those implements a wireless network having wireless experience, rather than strictly a traditional data network background.

He stresses the importance of wireless network designers closely considering the surrounding environment when locating access points. He used the example of cardboard boxes placed in front of a wall that happened to have an access point on the other side. If this happens, effective connectivity will be affected. Therefore, the applications have to be designed with the knowledge of restrictions of wireless systems, such as blips in connectivity. Application developers can write the application in such a way that it won't lose everything if connectivity fails for a few seconds.

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