

BY MEL DUVALL

PHOTOGRAPH BY STEWART O'SHIELDS

# Bottom Line Results

FEDEX  
GENERATES  
BIG RETURNS  
WITH REAL-TIME  
INFORMATION  
DELIVERY

**P**ick an address just about anywhere on the planet, and odds are Federal Express will be able to deliver a package there overnight, or within a few business days. The delivery giant maintains its own offices and operations in most major countries, but that still leaves a big swath of the globe to be covered. And to do that, FedEx partners with delivery agents in about 150 countries.

Administering that Global Service Program (GSP) network is a daunting task, and fraught with challenges. FedEx wants its partners to look, feel and act like the parent corporation, but each agent has its own financial systems, applications and processes. FedEx also has a wealth of business information locked away in its computer vaults in Memphis—information that could help its partners win more business and cut costs. The problem has been in getting that information to its business partners, or even knowing what information they could use most.

\$2.3 Million in Savings and a 470% ROI

As part of an ambitious, multi-year program, FedEx has begun providing its GSP partners with access to its vast data warehouses, through the use of the Internet and business

## SNAPSHOT

**Organization:** Headquartered in Memphis, Tennessee, with revenues of \$19.6 billion, delivery giant FedEx ([www.fedex.com](http://www.fedex.com)) maintains its own offices and operations in most major countries, and also partners with delivery agents in 150 additional countries.

**Challenge:** To help global business partners increase their business, and in turn FedEx's business, by helping them make smarter tactical and operational decisions.

**Strategy:** Use the Internet to give global delivery partners access to FedEx's data warehouses, and to Web-based business intelligence tools.

**Results:** A hard 470 percent ROI, primarily from partners being able to answer their own questions and run their own reports.

**Information Builders Solution:** WebFOCUS

FedEx Project Manager  
Joe Namie is intent on getting  
information into the hands of  
decision makers faster, so  
they can be more predictive.



intelligence software from Information Builders. Although the application is still in its initial phase, Project Manager Joe Namie reports the results have already been impressive. He says FedEx has achieved a 470 percent return on its investment, or in hard dollar terms, about \$2.3 million in savings since inception.

#### Turning Data Into Business Intelligence

“What we’ve been able to do is take our vast store of data and turn it into knowledge for our business partners,” says Namie. “Rather than feed them what we think they need to know, we’ve put a great analytical tool into their hands so they can do the analysis themselves.”

The information bridge was achieved through a secured Internet portal. Business partners log onto the site using a standard Web browser, and based on their user name and password they are shown a list of menu options. Partners have access to about 50 pre-designed queries and reports, and the number and range of those reports is constantly expanding. The virtual private networking and authentication technology was programmed by FedEx’s in-house IT team, with technology supplied by Check Point Software Technologies.

The reports range from executive-level queries into such areas as how revenues for that business partner or geographical region are performing against the budget plan, to various tools designed to analyze tactical, operational and administrative activities. Partners can view their on-time delivery performance and compare that against partners in comparable regions or against their competitors. Queries can be run to determine the best location for a new satellite bureau or drop-off box, based on volume and the dollar value of business coming from an area.

The system is also tied directly into FedEx’s transaction payment processing system, AutoPay. It consists of a suite of applications that automatically calculate the contractual amount owed to service partners worldwide, based on the services performed. Namie says it has benefited all parties in the supply chain by reducing payment queries, which results in getting money into the hands of partners faster.

“It’s really an AWACS system—an early warning system for our management and partners,” Namie says of the ability to dig deep into the AutoPay system. “It lets you know the good, the bad and the ugly on a daily basis.”

Besides helping business partners make better decisions, the GSP portal has also freed up time for dozens of the agent’s employees back at their head offices, who often did number crunching for the global partners when requested.

#### Zero to Rollout in Six Months

The FedEx project presented a monumental challenge because of the range of systems, applications and geographical regions that had to be connected. Despite the complexity of the undertaking, it was only six months from the time the project was given the green light, until the first phase was rolled out.

The WebFOCUS platform was deployed essentially to extract the data needed from FedEx’s OS390 mainframe, and load it onto an Oracle database. Users of the system then use the reports designed in WebFOCUS to access the

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data loaded into the Oracle database. Work is now being concentrated on providing access to more types of information and more reporting tools.

#### The Bigger Picture

Namie says the GSP project is part of a larger information supply chain initiative at FedEx called ISIS—International Strategic Information System. In its complete form, ISIS will provide business intelligence not only to FedEx and its GSPs, but also to FedEx’s customers, the customers of FedEx’s customers, and the customers of the GSPs.

“Our goal is to get information into the hands of decision makers faster, so they can be more predictive,” he says. “It’s about being able to tell a customer that a package is going to be late before it happens, rather than after the fact. The key is to provide a collaborative business intelligence environment that allows for a common frame of reference in planning and performance evaluation.”

Mel Duvall is a freelance business writer and contributor to *Information Builders Magazine*.