FedEx Powers Supply Chains Through Synchronized Reliability

FedEx is a trusted international authority on global supply chain management, advanced information capabilities, fulfillment, transportation management, and returns management.

Leading companies recognize that they can create as much value by reconfiguring their supply chains as they can by developing new products or manufacturing techniques. In fact, evidence suggests that median companies typically spend from two to three times more to run their supply chains than best-in-class companies (those performing in the top 20th percentile).¹

Today’s technology – and its unprecedented capacity for integration – enables companies to achieve remarkable results by re-engineering their supply chains. For example, a leading specialty retailer revamped its supply chain and slashed transit time for inbound materials from several weeks to a few days. A high-tech company’s new fixed lead-time model compressed order-to-delivery time from nearly a month to less than a week. Another high-tech manufacturer is investing tens of millions of dollars in streamlining its supply chain to enable 48-hour delivery. It expects to achieve a competitive advantage worth more than 10 times its investment within a year.²

FedEx is assisting many of its clients in achieving such breakthrough results. It’s a natural evolution of the company’s core strength. For decades, FedEx has delivered cutting edge logistics through advanced information technology. As early as the 1970s, the company was pioneering global networks that offered an unprecedented level of near-real-time shipment information. FedEx has led the way in developing innovative applications such as electronic shipping transactions, Internet tracking, and shipping via the Web.

Today, FedEx draws on that experience and expertise and is leveraging its technology and physical assets to offer clients a new breed of supply chain management.

A Heritage of Supply Chain Experience

Building on its heritage as a world-class express transportation company, FedEx has developed an organization that enables customers to seamlessly move anything around the globe, from a small parcel of high-tech parts to pallet loads of industrial goods.

Today FedEx delivers a comprehensive supply chain offering through a network of subsidiaries, including FedEx® Express, the world’s largest express transportation company; FedEx® Ground, North America’s second largest provider of small-package ground delivery service; FedEx® Freight, a leading provider of regional less-than-truckload freight services; FedEx® Custom Critical, the world’s largest provider of expedited time-critical shipments; and FedEx® Trade Networks, a provider of customs brokerage, information technology and trade facilitation solutions.

FedEx® Services provides customer access to the full range of FedEx transportation, logistics, e-commerce, and supply chain solutions. By integrating sales, marketing, and information technology functions, FedEx Services leverages the strengths of each operating company to develop and deploy superior customer-driven solutions.

FedEx has invested in information systems and operational infrastructure to ensure that each of these subsidiaries offers the world-class service and information technologies that is a hallmark of the FedEx brand.

FedEx’s transportation and supply chain expertise, its highly acclaimed information systems, its integrated supply chain applications, and its unparalleled global network enable FedEx to deliver a new level of supply chain efficiency – dubbed Synchronized Reliability™ – for its customers (Figure 1).

Delivering Results through Synchronized Reliability

According to ACNielsen research, delivery reliability is the single most important attribute shippers consider when selecting a transportation provider for supply chain management services.³

Synchronized Reliability™ takes delivery reliability to the next level. While delivering a shipment on time is important, it’s just the first step. Orchestrating supply chain activities so that customers receive what they want, when and how they want it – on time, every time – requires effectively synchronizing the flow of goods and information. That’s Synchronized Reliability.

Delivering Synchronized Reliability requires operating a seamless and smart supply chain, one that provides global visibility of critical information and enables informed, streamlined decision-making.

Supply chain and systems know-how, along with a multi-faceted digital network and a global physical network, allow our customers to move goods and information with precise timing and full visibility. FedEx provides this precise synchronization to a variety of companies, regardless of their size, which can help them to optimize their supply chains, cut costs, and enhance customer satisfaction.

It Pays to Invest in Reliability

A supply chain built on synchronized delivery of goods and information pays off in three critical areas: revenue reliability, expense reliability, and asset reliability.

• Revenue reliability – Orchestrated time-definite delivery improves both customer service and satisfaction. Satisfied customers tend to buy more, are more loyal and less likely to
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FedEx offers a number of pre-integrated solutions that provide streamlined, seamless service. For example, FedEx information systems integrate financial, order, and shipping data for customers and their trading partners. Pre-integrated solutions are also available in the FedEx transportation network and among core carrier providers, helping to reduce speed-to-market and take the hassle out of integrating systems.

FedEx offers a number of innovative solutions to orchestrate the movement of goods and information. They fall into four categories: orchestrated delivery management, transportation management services, fulfillment services, and returns management.

The benefits of Synchronized Reliability™ are far-reaching and can impact both the top and the bottom lines, resulting in increased shareholder value.

A Value-Added Portfolio Built on Synchronized Reliability™

Shortly after it won FDA approval for a new product, a large, global healthcare company teamed with FedEx to transform its supply chain so that it could rush the product to market within hours after gaining the approval. FedEx synchronized deliveries directly from the company’s regional distribution centers to the storefronts, producing a coordinated, cost-effective solution for nationwide same day deliveries.

A similar innovation is in place at Compaq Computer Corporation. FedEx Express manages portable computer shipments for Compaq’s North America Regional Logistics Operations. Their portable computers are manufactured in Taiwan and shipped to the United States. FedEx technology integration with Compaq’s computer systems in Asia, coupled with its expertise in global supply chain management, dramatically shortened the delivery cycle. Compaq recognized the effort by naming FedEx its “International Supplier of the Year.”

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brick-and-mortar and inventory investment, while reducing total logistics and transportation costs.

FedEx’s International Priority Direct Distribution (IPD) solution enables multiple parcels to clear customs as a single shipment, streamlining the clearance process and delivery times. IPD combines FedEx transportation and state-of-the-art technology to connect manufacturing origin points to multiple final recipients while providing time-definite delivery and end-to-end tracking of express shipments.

FedEx Insight, a Web-based application, provides an enhanced level of shipment information on inbound, outbound, or third-party shipments. FedEx InSight provides proactive notification — via email, fax, or wireless — of critical shipment events like clearance delays, delivery attempts, and shipments released for delivery. These exception alerts enable companies to proactively communicate shipment information to their customers and suppliers.

The result: FedEx InSight equips companies with an unsurpassed capability to plan for and manage inventory in motion. FedEx visibility tools are continually being enhanced with powerful capabilities, such as visibility at the event-management level anywhere in the FedEx network.

Transportation Management Services – FedEx offers customers optimized management of both domestic and international shipments for all modes of transportation. Transportation management can minimize a company’s transportation spend by optimizing transportation, leveraging economies of scale, and tapping into FedEx’s vast digital and physical networks. Clients can save money in other ways, too. Many find that FedEx can deliver outsourced transportation management services at a rate that’s lower than their overhead structure. And outsourcing helps eliminate costly capital infrastructure.

FedEx transportation services include far more than simply moving a shipment on time. Companies can look to FedEx for load consolidation, freight forwarding, trade compliance services, customs clearance, even fleet operations – all with the service and reliability that FedEx is known for.

Fulfillment Services – FedEx offers pre-integrated fulfillment services including pick-pack-ship fulfillment; hub-based fulfillment with late order cut-off; and emergency fulfillment with two to four hour delivery. FedEx can also help manage front-end fulfillment through Web order management services.

Companies find that using FedEx Fulfillment Services enables them to streamline and integrate the flow of information throughout the order fulfillment process. They can often reduce their overall investment in fixed assets through a flexible, scalable structure.

Returns Management – Companies can also tap FedEx’s comprehensive portfolio of returns and reverse logistics solutions. These transportation and information management solutions help businesses provide exceptional customer service, reduce cycle times, lower operating costs, and maximize control of the reverse logistics process.

Why FedEx?
FedEx is focusing on value-added services like these because the company has seen the impact they can have on a client’s bottom line. By synchronizing its global network with reliable information, FedEx can help its clients improve service and efficiency.

Investing in, maintaining, and continually enhancing information technology and physical networks is crucial to remaining competitive. But companies don’t have to do it on their own. By working with FedEx, they can leverage FedEx’s world-class information systems and supply chain – one of the most sophisticated in the world.

Endnotes
1. The Performance Measurement Group, LLC, a subsidiary of management consultants PRTM.
4. FedEx EMerge sold on contractual basis only. Limitations and restrictions apply.