



A Search for New Horizons



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2005 COMPUTERWORLD HONORS CASE STUDY

BUSINESS

AN INTEGRATED SALES TECHNOLOGY PLATFORM THAT CREATES A WORKFLOW AROUND SALES FUNCTION ALLOWS SALES PEOPLE TO HAVE 40 PERCENT MORE CONTACT WITH HIGH POTENTIAL ACCOUNTS; 15 PERCENT INCREASE IN ACTUAL SELLING TIME. THE RESULTS? HUNDREDS OF MILLIONS OF DOLLARS IN INCREASED ANNUAL REVENUE—ALL WITHOUT ADDING SALES HEADCOUNT. [20055387]

SUMMARY

FedEx developed a new, online sales portal and tool kit called “sales.fedex.com,” an integrated sales technology platform that creates a workflow around FedEx’s sales function. As a direct result of this initiative, sales people have 40 percent more contact with high potential accounts; 15 percent increase in actual selling time; and the company has achieved hundreds of millions of dollars in increased annual revenue—all without adding sales headcount.

APPLICATION

In 1971, current CEO Fred Smith founded what today is known as FedEx Corporation. Headquartered in Memphis, Tennessee, FedEx is a US\$25 billion family of businesses that offers a global network of transportation, information, and supply chain services. One of the first to harness the power of the Internet, launching a Website in 1994 with a bold new package tracking application, Fed Ex has capitalized on continuing technological innovation to build the enterprise into a global giant with 240,000 employees and contractors with operations in 215 countries.

Today, fedex.com hosts an average of eight million unique visitors per month and handles on average three million package tracking requests daily. More than 2.5 million customers connect with the company electronically everyday, and electronic transactions account for almost two-thirds of the more than 5.4 million shipments FedEx delivers daily. Cutting-edge information technology is critical to the continuing success of the business—a fact supported by Smith’s contention that “information about the package is as important as the package itself.”

The company’s sales force comprises around 3,200 U.S.-based professionals with approximately 30 percent engaged in telephone-based selling, 50 percent in the field, and about 20 percent in corporate sales. Although technology helps the sales team deliver superior customer service, as a result of ongoing acquisitions and consolidation of legacy IT systems, FedEx’s sales automation tool—Sales Source—had become outmoded and unable to quickly and effectively supply the sales force with accurate, up-to-date product and pricing information.

The company took a step back and evaluated Sales Source, quickly realizing that it needed to evolve into a performance and information management tool that could give the sales force greater access to real-time information and to each other as a way to build best-practice momentum.

Responding to this need for a technological evolution, FedEx developed a new, online sales portal and tool kit called “sales.fedex.com,” an integrated sales technology platform that creates a workflow around FedEx’s sales function. As a direct result of this initiative and the sales productivity gains it has enabled, annual FedEx revenue has increased by hundreds of millions.

BENEFITS

FedEx has achieved new levels of success through enhanced connectivity, consolidated information, and increased ability to plan and implement account strategies.

With sales.fedex.com, the company’s sales professionals can connect from wherever they are via a hand held device or laptop. They can then go to one place on the Web to access all the tools and information they need to identify sales prospects, develop customized value propositions, enter calls, review shipping histories, plan follow-up actions, and measure their own performance. The sales portal

enables constant contact from remote sales locations as well as providing accurate, real-time tracking of sales incentive compensation.

As a result of an easier and more efficient process for FedEx sales professionals, the company has attained a new level of significantly increased sales productivity. After just a year of utilizing the new sales.fedex.com productivity tools, the company achieved a 15 percent increase in time spent on actual selling—without increasing sales staff. This has resulted in incremental annual revenue of hundreds of millions of dollars that can be directly attributed to gains in productivity.

FedEx's new online sales portal also includes tools that allow the company to identify the potential box and letter shipping needs of nearly every registered business in the United States. Based on that compilation, FedEx sales professionals have been able to target the highest potential customers and develop recommended call cycles to contact those businesses with value propositions built around their needs. The result is that the FedEx sales force is using this gain in sales time to increase its contact with well-targeted, high-potential customers by almost 40 percent.

And with the same access view as the sales force, sales management can drill down into each individual account in order to spot trends, identify areas of concern, or use other information to help coach and motivate their teams.

IMPORTANCE

Prior to sales.fedex.com, sales people could not get information as quickly as they needed it. Compounding that problem was that the accuracy of the data, how it was organized, and how it was presented had become ineffective. The vision for FedEx sales is optimum efficiency and effectiveness when it comes to interacting with customers. Looking at the challenge from several different angles, FedEx approached the initiative with three over-riding goals:

- First, the company needed to find ways that their sales team could use technology to point them toward the right conversation with the right customer in terms of value propositions and then make it easy and effective for them to follow up with add-on products and value-added services.
- Second, the sales force not only wanted the ability to plan and manage their account strategies, they also wanted to each measure his or her own sales performance from a compensation perspective on a weekly basis.
- Third, sales management wanted real-time access to information such as trends in particular territories, districts, and divisions and to use that information to help coach and direct their teams.

“We believed technology could deliver the tools to do that,” says Tom Schmitt, senior vice president of FedEx Solutions.

FedEx combined high speed wireless and IP technology to create anytime, anywhere connections to the Internet and its enterprise network, enabling the sales force to be constantly connected, even as they move between wireless cells or in and out of wired environments. This new platform facilitated a JAVA-based innovative sales force automation tool that helps manage leads, accounts, and sales opportunities.

In addition, FedEx leveraged network security technologies to reduce risk and provide a secure foundation for expanding business with Intranet, extranet, and electronic commerce applications. Through its virtual private network (VPN) solution, the FedEx sales force can establish secure, private network connections over the Internet or other shared networks while protecting sensitive data and corporate resources from intrusion and corruption. While a VPN employs the same security, management, and quality of service (QOS) policies applied in a private network, it allows a wider range of connectivity.

ORIGINALITY

Although sales force automation is not unique or even new, FedEx has taken the technology to new heights. Sales.fedex.com has revolutionized the application, enabling the company to achieve such extraordinary and quantifiable gains as 40 percent more contact with high potential accounts; 15 percent increase in actual selling time; and hundreds of millions in increased annual revenue—all without adding sales headcount.

SUCCESS

'If you build it, they will come' does not apply to sales force automation tools. The new process must be significantly easier, more effective, and must make an immediate and positive impact on the ability for salespeople to do their jobs. Because sales.fedex.com is not only intuitive to use but also employs effective content management, it has paved the way for the unprecedented gains the tool has enabled in just its first year. "It's a powerful data resource and management tool that helps them go out and get the business," says Denise Yunkun, director of sales planning, FedEx Corporate Services, Inc.

Adoption of the new sales portal was easy for the users. Sales.fedex.com was user friendly, faster, and gave considerably more benefits to the sales professional from an information standpoint than the previous sales portal.

Because of the FedEx culture toward technological innovation, it has become easier for employees to accept and embrace new applications that run across the organization's IP platform and sales.fedex.com is no exception. Prior to this initiative, the sales team expressed dissatisfaction with the accuracy and timeliness of information. Today, real-time information is available with nearly 100 percent accuracy. With high success rates and proven benefits, technology integration and acceptance will continue to be part of the culture at FedEx.

DIFFICULTY

After a number of acquisitions, FedEx had become an accumulation of companies, including American Freightways, Viking, RPS, Roberts Express, and most recently Kinko's. Each of these companies brought its own infrastructure, technology platform, and degrees of Internet technology to the organization. This had created a mix of legacy and new technologies, disparate pockets of information, and a need to establish consistency across the entire organization.

FedEx took the first step several years ago in its continuous evolution toward streamlined business processes and standardized infrastructure and facilitated a migration toward an integrated technology platform. Sales.fedex.com is the latest move toward introducing tools that enable its workforce to work smarter and more productively.