

## IBSG HELPS FEDEX WITH A NEW GENERATION SALES FORCE AUTOMATION PLATFORM

### CUSTOMER VIEW

**“From a sales management perspective, our professionals are better able to uncover trends in particular territories, districts, and divisions. It’s a powerful data resource and management tool that helps them go out and get the business.”**

—Denise Yunkun, director of sales planning, FedEx Corporate Services, Inc.

**“We’re anticipating sales force productivity improvements to be enabled by sales.fedex.com.”**

—Tom Schmitt, senior vice president of FedEx Solutions, FedEx Corporate Services, Inc.

**“The information about a package is as important as the delivery of the package itself.”**

—Frederick W. Smith, Chairman, President and CEO, FedEx Corporation

After tapping the expertise of the Cisco<sup>®</sup> Internet Business Solutions Group (IBSG), delivery and transportation industry leader FedEx Corporation implemented sales.fedex.com—a mission-critical, one-stop online source for sales tools and customer information that has spurred its sales force to generate an extraordinary 15 percent increase in sales productivity.

### BACKGROUND

In 1971, current CEO Fred Smith founded what today is known as FedEx Corporation. Smith has capitalized on continuing technological innovation to build the enterprise into a worldwide behemoth with 240,000 employees and contractors with operations in 215 countries.

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. Those services are delivered through such well-known holdings as FedEx Express, FedEx Ground, FedEx Freight, FedEx Custom Critical, FedEx Trade Networks, FedEx Supply Chain Services and, most recently, FedEx Kinko’s.

Fred Smith has capitalized on continuing technological innovation to build the enterprise into a worldwide behemoth with 240,000 employees and operations in 215 countries. The company was one of the first to harness the power of the Internet to provide fast, easy, and convenient service options for its customers. FedEx made waves by launching a Website in 1994 with a bold new package tracking application—one of the first true corporate Web services.

Over time, FedEx continued to pioneer new technological territory, such as when it became the first transportation company with Website features that allowed customers to generate their own unique bar-coded shipping labels and request couriers to pick up shipments. 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 every day, 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.”

*Chief Executive Magazine* named Smith “CEO of the Year” for 2004, recognizing him for “building a \$25 billion company that virtually invented an entire industry, transformed other sectors as diverse as manufacturing, retail and transportation and heightened expectations of globalization.”

## **CHALLENGE**

The FedEx Services sales force comprises some 3200 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. Like the rest of the company, the sales organization uses technology to deliver superior customer service. However, as a result of ongoing acquisitions and the consolidation of legacy IT systems, FedEx’s sales tool—Sales Source—had become outmoded, unable to quickly and effectively supply the sales force with accurate, up-to-date product and pricing information.

Resources were scattered over several divisions and anytime-anywhere availability was lacking, recalls FedEx director of sales planning Denise Yunkun. “In the beginning we just kludged all the systems together,” she says. “When we took a step back and evaluated Sales Source, it became obvious that we needed to do something better in terms of giving our sales people performance and information tools as well as access to each other as a way to build best-practice momentum.”

“The vision for FedEx sales is optimum efficiency and effectiveness when it comes to interacting with customers,” adds senior vice president of FedEx Solutions, Tom Schmitt. “We needed to find ways to use technology that would point us toward the right conversation with the right customer in terms of value propositions—and then make it easy and effective to follow up with add-on products and value. We believed that technology could deliver the tools to do that.”

## **SOLUTION**

Beginning in 2002, a consultant from the [Cisco IBSG](#) met with FedEx sales and IT professionals. What began as a best-practice sharing session quickly evolved into a true collaboration effort aimed at transforming FedEx’s Sales Source into a faster, more integrated, and productive sales resource. Capitalizing on IBSG’s consulting expertise—and using Cisco’s own e-Sales portal as a catalyst for new ideas—FedEx developed a new, online sales portal and tool kit called “[sales.fedex.com](#).”

Matt Maddox, IBSG consultant, says the engagement with FedEx “evolved from simple best-practice sharing to true collaboration. Development teams from both sides met regularly, alternating between Memphis and San Jose, to share ideas and serve as unbiased sounding boards, with IBSG facilitating the relationship and managing the engagement. And the impact on [sales.fedex.com](#) is clear. The functionality, as well as the look and feel, is so similar to e-Sales that it looks like they were jointly developed.”

[Sales.fedex.com](#) also provides benefits to the company’s sales force by permitting constant contact from remote sales locations as well as accurate, real-time tracking of sales incentive compensation.

## RESULTS

Sales.fedex.com is an integrated sales technology platform that creates a workflow around FedEx's sales function, according to Sanjoy Haldar, manager of Sales Technology Strategy for FedEx Services. "Our sales professionals now can go to one place on the Web and get all the tools and information they need to identify sales prospects, develop customized value propositions, enter calls, review shipping histories of particular accounts, plan follow-ups, and measure their own performance."

Besides making it easier and more efficient for FedEx sales professionals to input relevant data and stay on top of customer information, sales.fedex.com has helped to significantly increase [productivity](#).

"After about a year of utilizing the new sales.fedex.com productivity tools, we had a 15 percent increase in time spent on actual selling," Schmitt says.

Even though the company kept its sales force flat, that 15 percent improvement in customer facing time translates into 30 percent of the incremental revenue put in the next year's plan. This additional income will come from increased sales productivity.

In addition, FedEx's new online sales portal includes tools that enable 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 upshot is that the FedEx sales force is using its gain in sales time to contact more and more well-targeted, high-potential customers.

Given these kinds of productivity gains and increased customer contacts Schmitt says FedEx is convinced it will realize its incremental revenue goal from sales force productivity improvements. "We're confident we'll get that because we believe our sales people are going to be significantly more efficient and effective with these tools."

## NEXT STEPS

In addition to expanding sales.fedex.com from its domestic U.S. operations to FedEx sites around the world, the company says its focus is on delivering even more sales information and performance management enhancements and on utilizing the online resource to improve customer relationship management.

"We're integrating even more with our marketing divisions and want to pull more customer service information in," Yunkun says. "We've provided faster, more integrated and effective access to tools from a sales perspective—pricing, territory management, compensation—and now we've got to bring other peripheral functions into the mix to give our sales professionals a better 360-degree view of the customer.

"And we intend to continue collaborating with Cisco. It's like we're sister companies—even though we're in different industries, we share a common desire to do the right thing for our customers and our sales force."

## FOR MORE INFORMATION

For further information on Internet business solutions, visit:

<http://www.cisco.com/go/ibsg>



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