1. FedEx Overview
2. People-First Culture: Incubator for Collaboration and Innovation
3. Connectedness: Key Component of Innovation
4. FedEx Innovations and Enabling Technologies
Operate Independently, Compete Collectively and Manage Collaboratively
280,000 team members worldwide
More than 8 million shipments daily
More than 220 countries and territories
FedEx Physical Network
684 aircraft and 80,000 motorized vehicles
10 Air Express Hubs – 32 Ground Hubs
470 Freight Centers – 2,000 FedEx Office centers
13 million digital experiences daily
3,000 transactions per second
Over 23 million unique visitors to fedex.com monthly
6 million package tracking requests daily
19.5 million labels generated via FedEx Ship Manager monthly
FedEx Values

People
Service
Innovation
Integrity
Responsibility
Loyalty
“I will make every FedEx experience outstanding.”
“The most rewarding aspect of my work is knowing that I was able to lead a team through the night by providing excellent service to our customers getting their documents to their destinations.”

Henry Foster
Team Leader
Oakland, CA

Welcome to iamFedEx.com

iamFedEx.com is a place for our 285,000 team members around the world to share stories about FedEx. From how we work, to who we are, to what we care about, this is where our story comes to life.
People
Annual Survey, Employee Loyalty Index

Service
Service Quality Indicator

Measurement

Profit
Budget
“We won’t experience 100 years of progress in the 21st century - - - it will be more like 20,000 years of progress (at today’s rate)...we’re doubling the rate of progress every decade...”  Ray Kurzweil
Diffusion of Innovation

- 2.5% Innovators
- Early Adopters 13.5%
- Early Majority 34%
- Late Majority 34%
- Laggards 16%

Source: Everett Rogers Diffusion of innovations model
Digital Check Deposit

iPAD

Foursquare

Stream movies/TV

iPhone/Android

PayPal / Google Checkout

YELP or Angie’s List

Kindle/eReader

Facebook

Flickr

Going to the Video Store

Paying for Email
GAME CHANGING INNOVATION
Game Change Innovation

Source: Doblin analysis
Rental Car Industry: Stuck in Feature War

Most competitive activity in the rental car industry is focused here

- Non-stop activity
- Frequent activity
- Moderate activity
- Some activity
- Minimal / none

**Business model**

**Networking**

**Enabling process**

**Core process**

**Product / Service performance**

**Service system**

**Customer Service**

**Channel**

**Brand**

**Customer experience**

**Finance**

**Process**

**Offering**

**Delivery**

Source: Doblin analysis
Rental car industry: Enterprise breaks out of the pack…

- Now largest ($6.9b vs. $4.9b for Hertz, $2.5b for Avis)
- Targets the occasional renter
- Uses the insurance company channel
- Brings the car to the renter; avoids airport cost structure

Source: Doblin analysis
10:30 A.M. Delivery
FedEx Information Technology
INNOVATION
INVENTION
FedEx Approach to Innovation

“I think the most important thing a CEO can do is to educate people that both operational focus and longer-term innovation are essential.”

- FedEx Chairman and CEO
  Frederick W. Smith
SOCIAL RESPONSIBILITY AND SUSTAINABILITY
earthsmart
A FedEx commitment
Efficiencies and Emissions

- 20% reduction in fuel emissions intensity by 2020
- 12.9% decline in aircraft carbon dioxide emissions intensity from 2005 through 2009
- Replaced Boeing 727s with Boeing 757s
- Introduced Boeing 777 into fleet
Efficiencies and Emissions

- 20% fuel efficiency improvement by 2020
- 14.1% vehicle fuel efficiency improvement since 2005
- 42% fuel efficiency improvement with hybrid step vans
- Developed and implemented hybrid-electric truck
- Optimized routes for improved efficiency
Efficiencies and Emissions

- Purchased 25,000 MWh of renewable energy credits
- FedEx Express solar-electric facilities in Oakland, CA and Cologne, Germany
- FedEx Ground solar-electric facility in Woodbridge, NJ, with country’s largest solar rooftop
- FedEx Office reduced energy consumption of 869 centers by 26.2%
Disaster Relief
SPEED TO MARKET
VIRTUALIZATION
GEO-LOCATION SERVICES
1. Know who you are
2. Make innovation an explicit value or goal
3. Sustain and nurture innovation
4. Don’t be afraid to fail
5. Encourage and reward success
Thank You

David Zanca
Senior Vice President
Customer Access and Revenue Systems
FedEx Services