FedEx Human Resources:
An Integration and Assimilation Strategy for the 21st Century

Presented by The A-Team
April 30, 2018
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Emily Aerni
Renee Burgess
Mitchell Kennedy
Julie McCallum
Travis Schobert
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Executive Summary

FedEx is a global transportation corporation that serves over 220 countries. The company has achieved extensive economies of scale, strong brand equity and image, and is known as being a leader in the courier and transportation industry. In order to maintain its competitive advantage, effective practices must be in place to facilitate its operations. FedEx has experienced significant growth in recent years as a result of acquisitions, partnerships, business expansions, and mergers. Unfortunately, such drastic growth, and the resulting changes that occur, can be challenging for a corporation. One critical element is how employees approach their work. If employees are motivated and want to provide superior customer service, support efficient operations, and act in alignment with company values, then business activities will be successful.

In order to develop a strategic opportunity for FedEx, the A-Team began by examining FedEx’s strengths, weaknesses, opportunities, and threats. The analysis revealed a challenge facing the human resources staff regarding integration and assimilation of acquisitions and expansions stemming from FedEx’s rapid growth. At the same time, an opportunity was discovered that involved FedEx integrating its acquisitions, new business segments, or expansions. Development of a strategic objective unfolded as the A-Team focused their attention on combining these two aspects to strengthen and improve the growing company by utilizing their talented human resources team members. Thus, the plan became “FedEx Human Resources: An Integration and Assimilation Strategy for the 21st Century.”

The A-Team created a comprehensive model that can be utilized and modified for all of FedEx’s future endeavors. This exciting blueprint consists of three key phases (assessment, information/investigation, and training), and addresses the most important element of an organization, their human capital. A company is only as good as the service it provides, and therein lies the core of a business’ power.

During the assessment phase, special teams will conduct meetings and make observations pertaining to the company, its environment, and employees. The second phase of information/investigation involves addressing social integration in terms of culture and employee morale. It is based on a two-way information process – gaining and disseminating information with employees. The third phase of training involves task integration and deals with job-related processes, specific tasks or duties, procedures, and job expectations. In the body of this publication, the A-Team provides a detailed framework that will support strategic implementation of their Integration and Assimilation program. It concentrates on key concepts that will ensure these important directives are accomplished by attending to vital issues such as employee satisfaction, quality of training new employees receive, tools they are provided, and assessing company culture and employee morale. Further, the A-Team developed valuable quantitative and qualitative measurements to evaluate the success of their HR Integration and Assimilation Strategy, and identified key control points that allow for revision and program changes as necessary.

Members of the A-Team bring wide-ranging and unique backgrounds to the group; the resulting dynamic is brimming with vibrant ideas and creativity. The following plan provides details concerning their extensive Human Resources Integration and Assimilation Strategy.
About Our Team

We are not just any ordinary consultant team we are...
A group of sophisticated scholars as clever as a Special Forces team, all from different specialties, coming together to present FedEx with the most brilliant strategy it has ever seen.

Renee Burgess (Financial Analysis, Editing, and Writing)

Renee comes to the A-Team with an extensive background in finance, accounting, and business administration. With many years’ experience in the banking industry as well as public and private education she has done a little bit of everything, from graphic design to international finance, accounting, and human resource management. Renee will be graduating from Lewis-Clark State College in May with a Bachelor’s Degree in Business Administration/Managerial Accounting Emphasis and a Minor in Human Resource Management.

Emily Aerni (Leadership, Organization, and Writing)

Emily offers over 20 years of professional office experience in various industries, primarily in a management capacity. She possesses management skills in all aspects of recruitment and training, planning, organizing, coordinating, leading, and monitoring. She has also dabbled in marketing and enjoys the design and creation process as well. Married to her wonderful husband, and mother of two amazing boys (22 and 16 years old), Emily enjoys spending time with her family and two precious kitties. On her own, she loves to read, do yoga, snowshoe, and practice meditation.

Julie McCallum (Writing, Editing, and Organization)

Julie studies Business and Communication at Lewis-Clark State College Coeur d’Alene. She is also a well-rounded administrative professional with experience in reception, dispatch, payroll, and accounting. Her hobbies include relaxing at the beach, going to the water park, and walking. She is the proud aunt of two young nieces and is a noted cat enthusiast. Julie’s focus for the project will be editing, formatting, citations, and writing.
Mitchell Kennedy (Marketing, Leadership, and Visual Design)

Mitchell is graduating with his Bachelor’s in Business and Communication at LCSC. Mitch Leads the A-Team and is also a leader at LCSC. With strengths in graphic design, marketing, leadership, and communication, Mitch exudes creativity with passion and strives to change the world for the better through his work. Experience with small companies and Fortune 500 companies has equipped Mitch to assist FedEx strategize, and prepared him to be a leader for the A-Team. Mitch loves organizing and is responsible for the final project report, organizing meeting materials, delegating tasks, and assisting the other teammates.

Travis Schobert (Finance Analysis, Research, and Speaking)

Travis is our research and our public speaking expert, coaching our entire team into the perfect mindset for strategizing. He also has expert culinary skills and can turn up the heat in the kitchen. Travis is the assigned devil’s advocate for the A-Team and often keeps the team on track. Ultimately, Travis is a pivotal part of the A-Team.

Organizational Chart

Figure 1. A-Team organization chart.
About FedEx

FedEx Mission

“FedEx Corporation will produce superior financial returns for its shareowners by providing high value-added logistics, transportation and related business services through focused operating companies. Customer requirements will be met in the highest quality manner appropriate to each market segment served. FedEx will strive to develop mutually rewarding relationships with its team members, partners and suppliers. Safety will be the first consideration in all operations. Corporate activities will be conducted to the highest ethical and professional standards.” (FedEx Corporation, 2018)

FedEx Values:

• People: FedEx values people first from employees to customers. People are the heart of the organization. the why and the how of FedEx operations which makes people their number one asset.
• Service: Providing great service is a part of putting people first. FedEx strives to serve all people with the highest quality standards.
• Profit: As a company dedicated to serving the needs of its workforce, customers, and shareholders, FedEx needs to generate profits and operate efficiently. The FedEx philosophy of People-Service-Profit uses the company’s focus on people to generate the profits necessary for company operations and provide value for all FedEx stakeholders.

FedEx Goals

FedEx Corporation has clearly stated financial goals which are enumerated on the company’s investor website. FedEx long-term financial goals include:
1. Increase EPS [Earnings-per-Share] 10%-15% per year
2. Grow profitable revenue
3. Achieve 10%+ operating margin
4. Improve cash flows
5. Increase ROIC [Return on Invested Capital]
6. Increase returns to shareowners

FedEx Overview

Starting with an idea for a term paper written at Yale University in 1965, FedEx founder Frederick Smith proposed a logistics system specifically designed to accommodate time-sensitive shipments such as medicine and electronics. Federal Express officially began in 1973 with 14 small aircraft that delivered 186 packages to 25 U.S. cities on its first night of operations. By the 1980s, FedEx was growing at 40% annually, and in 1983 it reported $1 billion in revenues. In 1984, intercontinental service expanded to include Europe and Asia; the company has continued its pattern of expansion through acquisitions and partnerships ever since. The FedEx brand is consistently recognized as one of the most admired brands in the world (FedEx Corporation, 2018).
FedEx Corporation provides transportation, e-commerce and business services worldwide. FedEx offers integrated business solutions through its operating companies which compete collectively and are managed collaboratively.
FedEx capabilities include their extensive infrastructure, superior workforce, and diversified business segments. These resources are integrated to provide a broad range of capabilities in the shipping, logistics, services and customs compliance areas. FedEx capabilities have developed into core competencies in the areas of time-delineated package delivery, logistics support, ground and freight delivery services, and business services such as those provided by the FedEx Services segment. FedEx is an industry leader in the transportation and courier sectors, and its extensive infrastructure and superior customer service allow it to build on its brand image and expand its operations relatively easily.

FedEx Express is the global leader in express shipping, offering a wide range of shipping services for the delivery of packages and freight to more than 220 countries and territories. FedEx Express provides shipping and delivery of approximately 6 million packages and more than 27 million pounds of freight each business day. FedEx Express includes FedEx Trade Networks and recently acquired TNT Express.

FedEx Ground provides business and residential money-back guaranteed ground package delivery services to the United States and Canada.

FedEx Freight provides less-than truckload (LTL) freight services across the United States, including Alaska and Hawaii. FedEx Freight also serves Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands.

FedEx Services provides sales, marketing, information technology, communications, customer service, and technical support, as well as billing and collection services for United States customers of the corporation’s major business units. This segment also includes FedEx Office and Print Services, which provides document printing and business services including package pickup and shipping.

FedEx Environment & Competition

FedEx Corporation operates in a highly competitive environment. Major competitor UPS holds 54.8% of market share for small-package delivery in the U.S.; FedEx market share is 23.2% for its United States ground delivery segment. However, 2017 statistics show that FedEx/TNT Express holds 29% of global market share; vs. UPS at 22%. FedEx has a definite competitive advantage in the express services area due to its extensive infrastructure. The industry leader worldwide is Deutsch Post DHL at 38% (Statista, 2018).

In response to its main U.S. competitor UPS, FedEx has started to implement large-scale package discounts, something that it had resisted for years. Last mile delivery has increased in competitiveness for couriers in the industry: e-commerce and m-commerce have led growth in this area with consumers purchasing more items from websites like eBay, Costco, Walmart, and Amazon. Deutsche Post DHL recently announced that it is launching new delivery services in major cities in the U.S. and will rapidly expand within the next few years; Amazon is an emerging competitor in the package delivery arena with its own unique set of competitive advantages. Changes in technology and continued innovation including possible drone delivery services may increase competition due to new entrants into the market.

In response to increased global competition, FedEx Corporation recently announced its acquisition of P2P Mail ing Limited, a U.K. based provider of worldwide e-commerce transportation solutions. According to Carl W. Asmus, President and CEO of FedEx Cross Border, “Global e-commerce continues to grow at a rapid pace, and more and more merchants, marketplaces, e-commerce and social platforms are looking for innovative, cost-effective ways to get merchandise from distribution points in one country to customers in another. By adding P2P to the FedEx portfolio, we will be able to effectively serve even more elements of the e-commerce market,” (FedEx Corporation, 2018).
FedEx Financial Status

FedEx stock is strongly positioned in the market, with several analysts rating the stock as ‘Outperform.’ The FedEx Corporation stock price has more than doubled in the last ten years while dividends have steadily increased, from $0.38 per share for 2007, to $1.80 per share in 2017. Corporation revenue exceeded $60 billion in 2017 with an operating profit of more than $5 billion (FedEx Corporation, 2017).

The financial status of FedEx Corporation can be explored more fully by using financial ratios to benchmark against industry standards (see Appendix G).

FedEx exceeds industry standards in key liquidity, solvency, and profitability ratios; however, the company is underperforming in the area of ROA (return on assets). This underperformance is due to the higher than industry norm capital investments that FedEx has made to increase its infrastructure and better serve its customers. The company’s focus on improving its infrastructure put it in an excellent position compared to its major competitors in the U.S., as evidenced by its ability to survive the busy 2017 holiday season without the disruption in service experienced by rival UPS.

Long-term debt owed by FedEx is close to 50% of its capital structure which is somewhat high, however, the industry as a whole is relatively capital intensive. In comparison, UPS carries long-term debt which is close to 90% its capital structure, a much riskier amount of leverage (Standard & Poor’s, 2017).

Evidence suggests that the company’s ROA will improve as its integration with TNT Express is completed. However, with the recent FedEx Corporation announcement that it has acquired P2P Mailing Limited for £92 million (approximately $130 million U.S. dollars), the company may continue its history of underperformance on ROA for longer than initially projected. Market compression will continue to be a challenge; however, the company’s infrastructure upgrades will help to increase profitability across its operating segments.

Continued innovation will be a focus for the company, as well as mutually beneficial partnerships with industry competitors such as USPS and retail partners such as Walgreens and Walmart.

Figure 2. FedEx financial ratios. Adapted from CSI market (2018).
FedEx S.W.O.T. Analysis

**Strengths**
- Brand Image
- Economies of Scale
- Infrastructure
- Technology
- Diversified business segments

**Weaknesses**
- Data Security & Technology
- Financial
- Over-reliance on contracted employees
- Assimilation of Rapid Growth & Expansions
- Lack of Response to Competitors

**Opportunities**
- Market Expansion
- New Technology
- Sustainability
- Medical Shipping
- HRM

**Threats**
- Security
- Competition
- Liabilities
- Government Regulations
- Fossil Fuels

FedEx has experienced dramatic growth in several segments of their operations. In examining FedEx’s strengths and weaknesses, the A-Team reviewed extensive research, data, and market reports regarding the air freight and cargo transportation industry as well as information specific to FedEx. Above is a compiled SWOT analysis that outlines the company’s key internal strengths and areas of weakness as well as potential external opportunities and threats.

The FedEx SWOT reveals that FedEx’s strengths go from strong brand image, economies of scale in infrastructure and workforce, and reputation for being the first company to develop technology to track packages from ship to door in what is now the industry standard. FedEx infrastructure includes more than 400,000 employees and the largest fleet of cargo aircraft in the world with over 650 planes. In addition, FedEx is a heavily diversified business with four large segments: Services (which includes FedEx Office), Express (which includes Trade Networks), Ground, and Freight.

FedEx’s weaknesses involve data and security issues including the data breach which followed the acquisition of TNT Express. FedEx’s specific weaknesses include reduced cash flow and limited financial flexibility due to the expenditures required to acquire TNT Express and P2P Mailing Limited. Due to legal issues regarding a prior independent contractor model used for the FedEx Ground segment, the company has a number of pending contingent legal liabilities. Other weaknesses include the challenge of aligning Walgreens’ service practices with FedEx standards of service and lack of proactive public response to emerging competitors such as Amazon.

FedEx opportunities are market expansion into rural geographic areas, new technology such as drones and temperature controls, sustainability for the planet, specialty medical shipping needs, and better HRM assimilation for partnerships and acquisitions.

FedEx threats include the security issues which impact all logistics companies, emerging competition, contingent legal liabilities, changes in government regulations and tariffs, and fossil fuel dependence and price volatility.

FedEx Leadership Analysis

Analysis of the top seven executives responsible for strategies and implementations during acquisitions and mergers (Appendix E) reveals that there is a lack of gender diversity within the executive leadership team. Further background analysis reveals that from the CEO to the Executive Vice Presidents, none are specialists in human resources. This presents itself as a leadership weakness that calls for the A-Team’s assistance to develop the strongest strategy moving forward.
The FedEx TOWS Matrix (Appendices A & B) reveals that:

- Strength of infrastructure can be paired with the opportunity of e-commerce market expansion to increase growth in this market segment.

- Technology strengths, including supply chain logistics and the Temp-Assure® portfolio of temperature-controlled shipping options, pairs with the medical shipping opportunity to allow FedEx to expand into the healthcare industry.

- The opportunity of integration pairs with the identified weakness in the area of assimilation for company segments, acquisitions, and partnerships.

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**FedEx I.F.A.S. & E.F.A.S. Analysis**

<table>
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<th>Strengths</th>
<th>Impact</th>
<th>Response</th>
<th>WS</th>
<th>Opportunities</th>
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**Weaknesses Subtotal** 2.1  
**Strengths Subtotal** 2.1  
**Opportunities Subtotal** 1.7  
**Threats Subtotal** 1.65  
**Total Weighted Score** 1  
**Total Weighted Score** 3.25  
**Total Weighted Score** 3.35  

*Figure 3. Weighted SWOT (IFAS & EFAS analysis).*

The FedEx IFAS (Appendix C) reveals that brand image is by far FedEx’s largest strength at 0.75 and that difficulty with assimilation of rapid growth and expansions and financial considerations are the largest weighted weaknesses at 0.40 and 0.30 respectively. The A-Team noted assimilation difficulties as having the weakest response from FedEx at only 0.20. The EFAS (Appendix D) proved medical shipping and HRM to be the largest weighted opportunities at 0.60 and 0.45 respectively, and competition and contingent legal liabilities are the largest threats at a combined score of 1.0.

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**FedEx T.O.W.S. Matrix Analysis**

The FedEx TOWS Matrix (Appendices A & B) reveals that:

- Strength of infrastructure can be paired with the opportunity of e-commerce market expansion to increase growth in this market segment.

- Technology strengths, including supply chain logistics and the Temp-Assure® portfolio of temperature-controlled shipping options, pairs with the medical shipping opportunity to allow FedEx to expand into the healthcare industry.

- The opportunity of integration pairs with the identified weakness in the area of assimilation for company segments, acquisitions, and partnerships.
The FedEx Balanced Scorecard was developed by the A-Team to aid the executive management team in its effort to focus on big-picture strategic goals. The Balanced Scorecard is a management system that aids an organization in developing a strategic process; this includes defining goals, refining the objectives that lead towards those goals, measuring progress, and describing the company’s end target.

Historically, organizations have judged health and assessed progress by measuring how much money they make. While financial measures are certainly important, they only show part of the picture of a company. Financial measures too often focus on the short-term picture, the Balanced Scorecard looks at strategic goals from the Employee, Business Processes, Customer, and Financial perspectives to give a more complete and “balanced” view of a company’s performance. The Balanced Scorecard will help FedEx to focus on high-level strategy using low-level measures; it takes the strategic vision and breaks it down into specific, actionable steps.

The A-Team business strategy focuses on Integration and Assimilation processes, which affects all four prongs of the Balanced Scorecard as shown in Figure 4. Our primary focus is on the employee perspective; improving Integration and Assimilation in this area will allow for a smooth flow of improvements to take place in the areas of internal processes, customer satisfaction, and financial performance.

Figure 4: Balanced scorecard

Figure 5: Perspectives.
Strategy Formulation

In developing a strategic opportunity, the A-Team began by analyzing the paired combinations in the TOWS section. FedEx has experienced extensive growth and rapid expansion as a result of recent acquisitions, partnerships, and business segment expansions. This rapidly-growing climate provided a host of challenges and opportunities for FedEx to address. As previously noted, addressing efficient ways to integrate and assimilate these important expansions is paramount to FedEx’s success.

As stated in its mission statement, a top priority for FedEx is to generate “superior financial returns” through excellent service in the transportation and courier industry. If FedEx does not adequately support its human resource needs, operations and productivity will suffer as well as its bottom line. To strengthen and align a newly acquired company with FedEx’s philosophy of People-Service-Profits, the A-Team has developed a comprehensive plan to support and facilitate its approach to integration. When acquisitions occur, it is imperative that several core aspects be addressed regarding human capital. Acquisitions can create an environment of anxiety and uncertainty which may result in increased rates of employee turnover and absenteeism. A recent article on the Society for Human Resource Management’s (SHRM) website asserted that “Turnover rates have always been the rudder that steers the HR ship,” therefore addressing aspects that influence turnover is critical (Maurer, 2017). Additionally, the article states that “HR has the greatest opportunity to partner with its line-manager clients to make substantial cultural change.” The A-Team’s strategy places significant emphasis on cultural awareness, communication, proper training, and supportive elements that will foster an environment of success for forthcoming acquisitions to address and reduce employee turnover rates. The A-Team’s strategy consists of three phases: assessment, information/investigation, and training.

Implementation

General Human Resources Integration Framework

![Figure 6: HR Integration Framework](image-url)
Communication

The most important element of the implementation phase is effective communication. Once the acquisition has been finalized at the executive level, the strategy begins by providing all new employees with a personalized welcome video distributed throughout the new company. This media will convey excitement regarding the acquisition and will exude positivity regarding the future for the merged companies. In order to move forward and help employees feel less threatened in the midst of a stressful situation, this process should be as transparent as possible. This is done by outlining the impending developments that employees should expect. Key points mentioned regarding the acquisition process would be:

1. The acquisition process begins with the presence of a FedEx team of Human Resource Specialists (HR Team Specialists) that are on-site to evaluate aspects that will assist transitioning employees and welcome them into the FedEx environment.
2. On-site meetings with the HR Team Specialists and management will occur.
3. “Welcome Week” consists of opportunities for employees to ask questions, voice concerns, learn more about FedEx, and partake in activities such as fun giveaways.
4. Express FedEx’s commitment to supporting employees during the transition.

Phase 1-Assessment

FedEx will assemble groups of HR Team Specialists, each consisting of four people (one team leader and three HR specialists). The number of groups will depend on the size of the company that was acquired and the region. These individuals will possess knowledge and experience in facilitating both domestic and international communication for acquisitions and have the ability to address important concerns pertaining to cross-border needs. Their expertise will help guide internal transformation, anticipate important changes that occur in blended environments, and be adept at analyzing organizational change.

The first step in the assessment phase begins with the HR Team Specialists examining the new company. It is crucial to identify important aspects such as culture, structure, current management practices, and employee morale. Examining the company will assist the HR Team Specialists to understand the overall climate of the company, and make adjustments as necessary to their standard model. The team must understand whether a company has a centralized versus decentralized authority structure, and how employees are managed. The assessment phase is primarily measured qualitatively and is based on subjective observations and verbal feedback based on meetings with management. During this phase, questions from the “Culture and Organization Assessment List” can be addressed (see Appendix F). Understanding company morale will arm the HR Team Specialists with valuable information that will be used when working with employees one-on-one during the training phase.

Phase 2- Information Analysis

Once the company’s landscape has been fully evaluated, the next step is going into the organization and meeting with employees. The Welcome Week previously discussed occurs for this length of time so all employees can attend no matter their schedule. Depending on the size of the acquired company, the time frame of Welcome Week may need to be extended. This valuable time period will include discussion summits, focus groups, and team meetings in a flexible and open environment. All HR team members will be present to support new employees any way that they can. During this period, key questions regarding culture are discussed with employees. A comprehensive publication titled “A Framework for the Human Resources
Role in Managing Culture in Mergers and Acquisitions,” describes the process of deep-level cultural understanding (Marks and Mirvis, 2011). It provides a framework that can be used during cultural clarification activities. Based on that model, the following questions can be asked of new employees:

1. How do you view your organization’s culture?
2. How do you view the FedEx culture?
3. How do you think FedEx views your culture?

At this point, HR Team Specialists will review additional ways that the FedEx vision and mission can be reinforced, as well as how to instill FedEx’s People-Service-Profits philosophy into new employees.

In addition to providing informative sessions, this event will be uplifting and will include giveaways, gift bags, and even door prizes. The days will be fun, yet will include informative activities, extensive “Let’s Talk” opportunities, and important discussions of “What will Change?” and “What Should I Expect?” The overall goal of Welcome Week is to answer questions from employees and listen to their concerns relating to the acquisition. During this phase, employees at all levels will take an anonymous online Employee Survey that assesses their level of contentment, satisfaction, and engagement regarding their current job, supervisor, executive leadership, and company. This investigative survey will be used as a measurement tool and will be conducted two more times: at the one-month mark, and one year after acquisition to help determine how employee satisfaction has changed. Appendix K provides a sample of this survey. Welcome Week will also provide general introductions, information regarding future training modules, and the distribution of literature. During this early timeframe, it is imperative that the message of valuing, listening, and welcoming new employees at all levels is conveyed.

Another element of this phase is to effectively communicate FedEx’s commitment to supporting its new employees. The company endeavors to facilitate as smooth a transition as possible. In addition to Welcome Week, FedEx will promote and internally advertise its mentoring programs and professional development opportunities. Examples include pairing employees with higher level management to help develop their skills, tuition reimbursement, and various training opportunities.

There are also quantitative data to be reviewed after employees complete the initial Employee Survey. The information gleaned from this source can be compared to current conditions at the organization. If discrepancies are revealed, adjustments can be made. For instance, HR Team Specialists may conclude that employees are happy and that morale is high, based on observations and feedback from management during the on-site assessment phase. If the Employee Surveys given during the Information/Investigation phase indicate that employee satisfaction is at 69%, however, then the HR Team Specialists are prepared and armed with this knowledge. The task can then be approached in a different manner, with the awareness that morale and culture is already fractured. Sample adjustments could include additional focus groups and team meetings, or more opportunities for employees to offer feedback/address concerns.

**Phase 3-Training**

According to Brian Bippes, Regional Operations Manager for North Idaho, FedEx offers extensive instruction and training for management. As a cost-saving measure, FedEx will utilize existing training modules for day-to-day work procedures. If necessary, specific changes relevant to the company being acquired can be added to the modules. A crucial component of effective integration and assimilation is culture training. For instance, if the company acquired is global, a linguistic specialist will need to assess and personalize communication to ensure that there are not any language barriers and that instruction is aligned with the acquired company’s culture.
As the Training Tree in Figure 7 illustrates, training will commence with HR Team Specialists conducting training sessions at the executive level that are 1-2 weeks long. The length of this training period will be dependent on the size of the company acquired. Training will involve communicating strategic and long-term plans, as well as the company’s mission, vision, culture, and goals. The second level of training implementation will involve mid-level division and frontline management. The management sessions with HR Team Specialists are considered “Training Intensives” and provide crucial concepts during a shortened period (approximately 1-2 weeks). At the final level, frontline managers of the acquired company will work closely with their employees. Further, after the initial management training intensives are complete, HR Team Specialists will rotate departments, meeting with various employees to provide support and answer questions.

Employee Training:

Training for non-managerial employees will be broken up into sections consistent with existing FedEx training modules and policies. The following key concepts should be covered in detail:

- System processes and various procedures
- Review of applicable FedEx inbound, outbound, scanning, and logistics practices
- Organization and structure of job requirements
- Proper communication channels and how to direct questions/grievances
- Technology training
- Performance expectations

FedEx routinely provides various training opportunities for management in a variety of locations as explained by Brian Bippes. After initial on-site training from HR Team Specialists, FedEx’s existing training process will continue as needed.

After employee training is complete, a final key step is to provide a means of bottom-up feedback. A communication channel will be provided for employees to give feedback about the training process, as well as any culture or personnel issues they may need to discuss. This is an important communication checkpoint that provides the HR Team Specialists with an opportunity to assess how employees are feeling and if they consider themselves sufficiently prepared to complete their jobs. A few sample questions to be addressed include:
1. Have you been provided with a clear job description for your position?
2. Have performance expectations been communicated to you?
3. Have you been provided with the tools to do your job effectively?
4. Have you been provided the training and knowledge to do your job effectively?
5. Are you comfortable seeking assistance from your supervisor?
6. Do you feel comfortable using the required technology and equipment needed to complete your job?

Timeline

During the first four months of the post-acquisition process, the assessment and information/investigation phases will take place. HR Team Specialists will be on-site to observe and evaluate company culture, employee morale, and current management practices; they will also meet with management to obtain verbal feedback. Understanding the level of satisfaction among employees is an important part of this phase. Initiating and evaluating employee surveys will aid in the investigation.

During this period trainings will occur, as outlined in the Training Tree displayed in Figure 5. This process highlights task integration regarding job duties, learning FedEx systems and processes, and training to use new technology. A crucial aspect of this phase is ensuring that employees feel sufficiently prepared to function in their new positions. Once training is complete, employees will have an opportunity to give feedback pertaining to the six key questions outlined in the training section of this manual.

During this period HR Team Specialists will begin to measure both qualitative and quantitative aspects of the program, including employee performance, service quality, productivity, customer satisfaction, and regional sales increases.

In this stage HR Team Specialists will review critical control points and the overall efficiency of the program. The program will be assessed in terms of the seven distinct “pausing” points that allow for review and adjustments.

Figure 8. Implementation timeline
Projected Costs: Program Implementation

Program costs are projected based on the deployment of core HR Specialist teams of four people each: one team leader and three HR specialists. The number of teams deployed will vary according to the size of the company acquisition or expansion project. This flexible design allows for variable deployments based on strategic need as envisioned by the FedEx executive leadership team. In addition to variable deployments based on current needs, the team structure can also be modified as necessary, e.g., partnership integration and assimilations will require less intensive programs than full-scale acquisitions or large expansion projects.

Based on projections, the cost per year for a four-person HR Specialist Team is approximately $302,500. This figure includes the cost of salaries, benefits, program development, travel expenses, administrative overhead, and continued collaboration with executive management teams.

The cost per program is based on 20 participants each at both the managerial and employee levels. Managerial integration and assimilation programs have a higher cost as individual managers will need to travel to a regional managerial program, while employee integration and assimilation programs will be done on site.

- Projected costs for each managerial program include costs for program materials, travel, lodging, and meals as well as salaries for the managers attending the program. Managerial programs are designed to be completed over the course of two to three days, with more intensive programs lasting up to one week if necessary.
- Program cost for one regional manager integration and assimilation program is estimated at $13,000 per program, or $650 per participant.
- Projected costs for each employee program include program materials and wages paid for each employee in attendance. Employee programs can be delivered over one or two days as needed, with a minimum of eight hours training per employee.
- Program cost for one employee integration and assimilation program is estimated at approximately $7,000 per program, or $350 per participant.

It is projected that one HR Specialist Team could provide approximately 20 managerial programs and up to 400 employee site location programs in a one-year time frame. In this situation, total cost for one year of operations could reach $905,500. The cost of activities and incentives provided during employee “Welcome Week” will add to this amount; however welcome week activities are considered to be part of company acquisition costs rather than HR Specialist team costs.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs per year: 20 managerial, 400 employee</td>
<td>$603,000</td>
</tr>
<tr>
<td>HR Specialist Team cost per year</td>
<td>$302,500</td>
</tr>
<tr>
<td>Total Program Cost for one year:</td>
<td>$905,500</td>
</tr>
</tbody>
</table>
Evaluation Strategy

Following an acquisition, successful Integration and Assimilation can be assessed in many different ways as noted in the Balanced Scorecard. Some key metrics that assist in the evaluation process include a reduction in employee turnover and absenteeism, an increase in employee satisfaction, an increase of sales per region, an increase in customer satisfaction, and the return on investment. Determining the success of this HR Integration and Assimilation Strategy can be accomplished by analyzing both qualitative and quantitative measurements. The following section addresses the qualitative factors.

QUALITATIVE MEASUREMENTS:

Stakeholder Satisfaction:

Integration and Assimilation Training encourages new employees to embrace the FedEx philosophy of People-Service-Profits, thus benefiting all operations. Accomplishing this goal will result in satisfied employees that perform their jobs well, provide quality service, and generate higher productivity levels. This commitment to service will reduce the number of damaged deliveries, package returns, and customer complaints. Efficient and effective operations benefit FedEx’s important stakeholders and value chain constituents. By reinforcing FedEx’s reliability, building trust, and supporting smooth operations, consumer demand will increase. An improved consumer experience will reinforce FedEx’s positive brand image and will enhance consumer loyalty. The collective result of these efforts will boost FedEx’s profitability, which will positively impact all company stakeholders.

Feedback Channels:

Employees can offer valuable insight into how system processes, various procedures, and communications can improve. After the acquisition and training periods are complete, weekly meetings will be held to provide feedback channels where management can listen to employee ideas, questions, and comments. These opportunities will serve to enhance day-to-day operations as well as address staffing concerns relating to cultural assimilation or morale issues. After two months of weekly review meetings, bi-monthly management sessions will occur and continue as needed. Employees can also utilize an anonymous online communication outlet. This will offer a basic platform that employees can use to post feedback concerning job-related tasks, processes, or procedures. An anonymous forum encourages all employees to provide open and honest comments.

Dealing with immense changes after an acquisition can be challenging for employees. The A-Team recommends conducting quarterly check-ins between an employee and their direct supervisor, framing them as “Reflection Sessions.” These reviews will provide performance-based feedback, although the primary goal will be to better understand employee concerns. Key topics will include how employees are adjusting to their new environment, relationships with peers, and reflections on training and job preparedness. While valuable insights can be garnered through objective employee feedback, it is equally critical that quantitative initiatives be in place to provide measurable data. This information can guide any modifications that need to be made for future Human Resource Integration and Assimilation strategies. The following section outlines financial metrics that can be used to evaluate the success of an HR Integration and Assimilation Strategy.
QUANTITATIVE MEASUREMENTS:

Employee Turnover/Absenteeism:

In researching employee turnover rates due to mergers and acquisitions, the A-Team turned to the Bureau of Labor Statistics (BLS). One important element that is measured is labor market activity. Because the BLS strives to provide accurate and objective statistical information, the agency has a dedicated Office of Survey Methods Research, which evaluates and improves its programs. The BLS cites a valuable study, “Identifying and Accounting for Mergers and Acquisitions in Measuring Employment,” which asserts that, in measuring employment and wages, one of the more difficult areas to accurately account for is mergers and acquisitions (Mikkelson, Unger, & LeBel, 2006). This makes it challenging to identify employee turnover rates that pertain specifically to personnel who left after an acquisition period. Further, FedEx has executed numerous acquisitions throughout the past ten years.

Therefore, the A-Team recommends that FedEx utilize its existing human resource records, which will indicate the number of employees that quit after an acquisition is complete. This data can be used to create a baseline number reflecting employee turnover averages following acquisitions. This benchmark can be used to assess retention levels at crucial stages during the post-acquisition time frame. For example, these figures can be evaluated at six month and one year interval points and compared with starting employment levels. In addition, human resources can provide management with statistics pertaining to employee absenteeism, which can then be examined and measured against numbers prior to an acquisition. These quantitative benchmark figures can then be utilized for all future acquisitions to aid in decision-making.

Acquired Company Data:

Other important metrics obtained from the acquired company will include the company’s turnover rates and service delivery rates prior to acquisition. These figures can also be used as benchmarks and will provide helpful comparison points for the HR Team Specialists.

Employee Satisfaction/Engagement:

The Employee Survey (Appendix K) given to employees during the implementation phase provides a baseline measure of employee satisfaction. The overall benchmark figure, calculated by HR Team Specialists, establishes a standard of performance against which future data can be compared. For instance, if the aggregate employee survey reveals an average satisfaction level of 72%, HR Team Specialists could assign estimates of how that figure may change at the six month and one year intervals following an acquisition.
<table>
<thead>
<tr>
<th>Goals: What we want to accomplish.</th>
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<tbody>
<tr>
<td>Objectives: How we want to accomplish our goals.</td>
</tr>
<tr>
<td>Measure: How we will measure our progress.</td>
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### FedEx Goals

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
<th>Measure</th>
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<tbody>
<tr>
<td><strong>Employee Satisfaction Focus</strong></td>
<td>Improve FedEx culture assimilation, acceptance, knowledge, and awareness for all employees, with a particular focus on new employees acquired through acquisitions and expansions; increase collaboration and partnerships.</td>
<td>Establish control groups, measure performance and financial indicators for groups with and without training, compare results.</td>
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<tr>
<td></td>
<td>Develop training and integration programs for regional areas, training and integration teams pilot technology integration and training, increase on-time deliveries, reduce delivery failures.</td>
<td>Develop budget for training and integration teams, pilot training and integration programs.</td>
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<td></td>
<td>Measure employee retention, satisfaction, and KSAOs (Knowledge, Skills, Abilities, and Other) through employee surveys, performance assessments, and turnover reports.</td>
<td>Measure employee retention, satisfaction, and KSAOs (Knowledge, Skills, Abilities, and Other) through employee surveys, performance assessments, and turnover reports.</td>
</tr>
<tr>
<td></td>
<td><strong>Employee Satisfaction</strong> survey rating increase of 5%–10%, retention increase of 10% above current standard; absentee rate reduction of 15%.</td>
<td><strong>Employee Satisfaction</strong> survey rating increase of 5%–10%, retention increase of 10% above current standard; absentee rate reduction of 15%.</td>
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### Internal Processes Competence Focus

<table>
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<tr>
<th>Goals</th>
<th>Objectives</th>
<th>Measure</th>
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<tbody>
<tr>
<td><strong>Customer</strong></td>
<td>Increased customer satisfaction, decreased customer complaints.</td>
<td>Promote culture of People-Service-Profit with an emphasis on customer service.</td>
</tr>
<tr>
<td></td>
<td>Promote culture of People-Service-Profit with an emphasis on customer service.</td>
<td>Customer surveys, complaint logs, warranty loss reports.</td>
</tr>
<tr>
<td></td>
<td>10% increase in customer satisfaction, 15% reduction in customer complaints.</td>
<td>10% increase in customer satisfaction, 15% reduction in customer complaints.</td>
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### Financial Focus

<table>
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<tr>
<th>Goals</th>
<th>Objectives</th>
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<tbody>
<tr>
<td><strong>Financial</strong></td>
<td>Allocate budget for integration and assimilation training, ensure fiscally responsible budgeting and transparency.</td>
<td>Develop budget for training and integration programs, pilot training and integration programs.</td>
</tr>
<tr>
<td></td>
<td>Develop budget for training and integration programs, pilot training and integration programs.</td>
<td>Establish control groups, measure performance and financial indicators for groups with and without training, compare results.</td>
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<td></td>
<td><strong>Financial</strong> budgeting and transparency.</td>
<td><strong>Financial</strong> budgeting and transparency.</td>
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<td></td>
<td><strong>Financial</strong> budgeting and transparency.</td>
<td><strong>Financial</strong> budgeting and transparency.</td>
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### Customer Focus

<table>
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<tr>
<th>Goals</th>
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<th>Measure</th>
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<tbody>
<tr>
<td><strong>Customer</strong></td>
<td>Smooth transitions for acquisitions and expansions, seamless pickup and delivery.</td>
<td>Technology integration planning and execution, best practices assimilation.</td>
</tr>
<tr>
<td></td>
<td>Technology integration planning and execution, best practices assimilation.</td>
<td>Technology integration planning and execution, best practices assimilation.</td>
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<tr>
<td></td>
<td>10% reduction in delivery failures, 10% reduction in damaged goods.</td>
<td>10% reduction in delivery failures, 10% reduction in damaged goods.</td>
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### Employee Satisfaction Focus

<table>
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<tr>
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<td>Employee satisfaction survey rating increase of 5%–10%, retention increase of 10% above current standard; absentee rate reduction of 15%.</td>
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### Internal Processes Competence Focus

<table>
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<th>Objectives</th>
<th>Measure</th>
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<tbody>
<tr>
<td><strong>Internal Processes</strong></td>
<td>10% increase in customer satisfaction, 15% reduction in customer complaints.</td>
<td>Customer surveys, complaint logs, warranty loss reports.</td>
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<td></td>
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As mentioned in the “Leadership Analysis” section, the executive leadership team consists of seven individuals with wide-ranging experience. (See Appendix E) However, none of these professionals possess extensive Human Resource experience or have specific HR credentials/education pertaining to culture, organizational change, or internal environment transformations. Therefore, the A-Team recommends that FedEx assigns the responsibility of overseeing this program to an HR Director who will assume a seat on the executive leadership team, expanding it to eight individuals.

Even the most impressive business strategy is incomplete without control points that allow for reflection, revision, and improvement. Ensuring that pressure release points are in place enables HR Team Specialists to loop back to certain areas of the situation analysis and implementation process, to modify plans, make adjustments, and then continue or start again.

Assessing the program in terms of its overall success is important; however, given the long-term timeframe of acquisitions, this process should be ongoing. Because of this, pre-designated time periods can provide specific control points. Business momentum and corporate demand can apply pressure to move assimilation forward at a fast pace which can cause elements to be missed, work to be done incorrectly, or emphasis to not be placed where it should be. Therefore, hindsight can be very beneficial and can be utilized to its fullest potential after an initial busy period following the early months of an acquisition.

During the early phases of this strategy several critical control points provide opportunities to refer back to the implementation stage and make modifications as necessary. Having the capability to adapt this strategy can benefit the HR Team Specialists because they can be swift in their reaction and responses during the Integration and Assimilation process. The flexibility of this multi-faceted strategy allows for corrections and changes to be made at several points of the post-acquisition process.

Below are seven distinct points that allow for review and adjustment, each of these critical junctures provides a point that allows for plans to be altered or amended to support smooth acquisition transitions.

- Point 1: HR Team Specialists Organization Assessment and initial Employee Survey
- Point 2: Initial executive management level trainings
- Point 3: Employee feedback given after initial training
- Point 4: Employee/supervisor meetings, both weekly and bi-monthly
- Point 5: Quarterly employee “Reflection Sessions”
- Point 6: Six month Employee Surveys (Appendix K)
- Point 7: One year Employee Survey (Appendix K)

Quantifiable metrics must be in place to review the success of the overall strategy. Additional measurements that will be analyzed are ROI, turnover and absenteeism rates, and employee survey results discussed throughout this plan. Actual results will be measured quarterly using the Key Performance Indicators shown in Appendix H. A decrease in one or several Key Performance Indicators will require further evaluation to ascertain whether the decrease is due to program failure or other, unrelated market conditions. Quarterly performance measurements will continue to be an essential element for ongoing control and evaluation of the A-Team Integration and Assimilation Strategy.

An excellent way to achieve an effective checks-and-balances process is to verify that the program supports the main tenets of FedEx’s mission statement. The core goals are to produce superior financial returns, provide high value-added services, meet customer requirements, develop mutually rewarding relationships, make safety a top priority, and maintain high ethical standards. Some questions to address this are:
• Did the HR training produce an increase in profitability?
• Have new employees been able to provide exemplary customer service?
• Has communication been effective and facilitated good working relationships between the newly acquired employees and existing FedEx employees?
• Based on feedback from new employees, how do they feel existing FedEx management behaves in relation to business ethics and professionalism?

Additionally, exit interviews can be used to gather information and additional insights for any departing employees.

A last control measure will be in the final months when HR Team Specialists conduct a thorough analysis of the events during the first 30 months. They will compile a report summarizing their findings and submit it to the HR Director, executive team members, and the Board of Directors.

Future Strategy Application

Given that FedEx will continue to grow, the core concepts from this HR Integration and Assimilation strategy can be adapted into a variety of expansion opportunities including partnerships, mergers, and business expansions. Although each situation FedEx experiences may not be the same as an acquisition, the principles outlined in this strategy can be applied and will serve as a foundation from which to work.

Return on Investment

Return on investment (ROI) is an important program outcome which can be calculated using a cost-benefit analysis and key performance indicators (see Appendix H). In this situation, a cost-benefit analysis is the process of determining the economic benefits of the Integration and Assimilation program using accounting methods to look at program costs and benefits.

For the A-Team Integration and Assimilation strategy proposal, value is provided by increased employee engagement and decreased turnover, increased productivity, customer service improvements, cost reductions due to an increase in on-time deliveries and decreased money-back guarantee costs, and ultimately increased sales and market share. ROI provides evidence of the economic value provided by our proposal; however, it is important to keep in mind that ROI is not a substitute for other program outcomes that provide data based on employee reactions and assimilation of the FedEx culture of People-Service-Profit.

ROI is typically used to show an HR program's cost effectiveness after it is completed; however, ROI is also used to project the potential value of a new program. The process of determining ROI begins with understanding the objectives of the program, collecting data relating to measuring the objectives, isolating the effects of the program from other factors that might influence the data, and finally converting the data into a monetary value.

Because the A-Team strategy was designed as a pilot program that can be modified, expanded, or simplified according to the needs of the acquisition, expansion, or partnership proposed, the best way to determine ROI is to isolate results from a targeted region and compare those results to a control region that has not yet received the Integration and Assimilation activities provided by the program. This involves obtaining regional sales data as well as employee turnover and retention data that is not readily available to an outside research team. With this in mind, the statistics recorded on the FedEx Key Performance Indicator chart (Appendix H) are projected estimates based on outcomes of similar programs observed across varied industries and types of programs. Actual ROI analysis is projected to increase sales by 15%, decrease employee retention and recruitment costs by 5% to 10%, increase on-time deliveries by 3%, and increase customer satisfaction by 5% per year.

The A-Team believes that these key performance results are sustainable over the three-year period of program delivery shown in the timeline on page 14 and the Gantt chart in Appendix I.
Success/Failure

The consensus among the A-Team is that this strategy will be an overall success. Accessing actual information regarding FedEx internal operations has been challenging for the A-Team since FedEx does not publish human resource turnover rates; this makes projecting results somewhat difficult. However, the Integration and Assimilation strategy has tremendous flexibility that allows its core concepts to be applied to a variety of FedEx expansion opportunities. Evaluation and control points during the post-acquisition process allow for program tweaks and modifications to be made. This allows HR Team Specialists to tailor their approach to each situation.

Appraising the effect of the strategy based on its impact on core competencies and competitive advantage will also help to measure its favorable effect on all FedEx stakeholders. Quantitative and qualitative measurements presented within the strategy provide avenues that can address the concerns of employees, customers, and shareholders. Application of the A-Team strategy will positively affect FedEx’s long-term stability and reputation while enriching and supporting its employees during times of change. The will strengthen FedEx’s biggest asset: human capital.
### What We Learned

#### The A-Team K.L.E.W.S. Chart

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<tbody>
<tr>
<td>What did we already know about strategizing?</td>
<td>What did we learn about Team work?</td>
<td>What did we encourage each other to do?</td>
<td>What can we do with what we’ve learned?</td>
<td>Scientific principles we learned include:</td>
</tr>
<tr>
<td>• Strategy is long term&lt;br&gt;• Strategy takes time&lt;br&gt;• It adapts&lt;br&gt;• Requires commitment&lt;br&gt;• Strategic planning requires creativity</td>
<td>• Teamwork creates unified expertise&lt;br&gt;• Group communication&lt;br&gt;• To admit mistakes&lt;br&gt;• Openness &amp; flexibility&lt;br&gt;• To play to each persons strengths</td>
<td>• Support and Speaking up&lt;br&gt;• Gut ideas vs. devil’s advocate&lt;br&gt;• To play their Part&lt;br&gt;• Enthusiasm&lt;br&gt;• Confidence</td>
<td>• Apply to any field of work&lt;br&gt;• Funnel information effectively&lt;br&gt;• Research techniques&lt;br&gt;• Allow change and listen&lt;br&gt;• Use in my career</td>
<td>• Measuring ROI&lt;br&gt;• Trust in team&lt;br&gt;• To define goals&lt;br&gt;• Qualitative assessments&lt;br&gt;• Importance of data and ratios</td>
</tr>
</tbody>
</table>

**Figure 9.** The A-Team K.L.E.W.S. Chart

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### Renee Burgess (Business Admin. /Managerial Accounting Emphasis)

**K: Knows:** Strategic planning is a means to identify and achieve organizational goals. It includes a situational analysis, formulating objectives and strategies based on goals, an environmental assessment, and developing procedures to implement and evaluate the strategic plan. **L: Learned:** Teamwork is a great aid to strategic planning. Diverse areas of expertise among team members can combine to create a unified whole. **E: Encouraged:** Every member has something to contribute, and each voice is worth hearing. We can encourage each other’s strengths and support each other’s weaknesses. **W: What:** Principles and skills learned in this project can be applied in any field of work and in team members’ personal life as well. **S: Scientifically:** Measuring return on investment is important when evaluating new business strategies, whether it is an HRM strategy or something different. Distinctions should be made between qualitative vs. quantitative analysis.

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### Mitchell Kennedy (Business And Communication Major)

**K: Knows:** That a well thought out strategy takes time and a vast amount of effort during the creative process and through to the presentation professionally and personally. **L: Learned:** How to communicate more effectively as a group and the power of multiple minds working together. **E: Encouraged:** Everyone to follow their gut ideas and to like their own ideas first and let someone else be the devil’s advocate so all ideas are shared. **W: What:** I can do is better evaluate a company and plan a strategy thinking though all of the different parts more thoroughly. Funneling it down to the best plan of attack. **S: Scientifically:** “Trust” is the principle I learned through trusting my team and their expertise on areas I am less familiar.
Travis Schobert (Business Administration Major)

K: Knows: A good strategy will adapt with changes within the environment, knowing when to pivot is key. L: Learned: Utilizing one another's strengths creates a better project than can be done by yourself and having the humility to admit you made a mistake smooths out the bumps of teamwork. E: Encouraged: Everyone plays their part and we are all different, yet equal. Letting my team know that pivoting is not bad when nailing down a strategy. W: What: Utilize the research techniques or even the boldness to get answers directly from those who would know for future corporate espionage in my career. S: Scientifically: I learned you must clearly define what you are looking for before you start your research. Then you will be able to interpret your data in the proper context to know if it is within an acceptable range or not.

Emily Aerni (Business Administration Major)

K: Knows: Group projects take time and require team commitment throughout the process. L: Learned: Openness and flexibility are crucial to project success. E: Encouraged: Enthusiasm helps the team move through important project stages. W: What: I can remember that allowing change to occur and listening are valuable to team dynamics. S: Scientifically: Qualitative assessments are important, but quantitative measures are imperative because they provide baseline and benchmark data.

Julie McCallum (Business And Communication Major)

K: Knows: that strategic planning is a dynamic process that requires a great deal of creativity and flexibility. L: Learned: to play to each person’s strengths in order to create the most effective team possible. E: Encouraged: team members to be confident in their abilities. W: What: I can do is to carry the lessons I have learned from this project into my future career. S: Scientifically: I learned about the importance of financial data and ratios in strategic decision-making.

This project provided each team member with the opportunity to harness and capitalize on their own personal strengths and talents. Trust, communication, and collaboration were essential skills that members of the A-Team will continue to use in their future business careers. In this professional group setting, all participants were encouraged to come together and to speak up in order to accomplish the team’s shared goals. Upon completing this project, members of the A-Team are now able to strategize more effectively. The experience cultivated a creative environment for the entire team and we are all very grateful that we had the opportunity to develop a strategic business opportunity.
And now for the good news... HR salaries are rising the fastest: Profession breaches national average, but number of vacancies is sliding. (2017, November). People Management, 14. Retrieved from Business Source Premier database.


<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>MTS STRATEGIES</th>
<th>STS STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WO Strategies</strong></td>
<td>- Strong competitors such as Amazon</td>
<td>- New technology</td>
</tr>
<tr>
<td>- Lack of strong public response to competitors (e.g., Amazon and eBay; Mother's Day)</td>
<td>- Supply chain</td>
<td>- Regulatory environment</td>
</tr>
<tr>
<td>- Reliance on contract employee model (e.g., FedEx Ground)</td>
<td>- Diversified business segments</td>
<td>- Regulations</td>
</tr>
<tr>
<td>- Diversity in technology and infrastructure</td>
<td>- Economies of scale</td>
<td>- Global political (laws)</td>
</tr>
<tr>
<td>- Operational efficiency andorganizationalnew acquisitions</td>
<td>- Brand image</td>
<td>- New competition and industry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WEAKNESSES (W)</th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td><strong>External Factors (EFs)</strong></td>
<td>- Technology logistics, supply chain, scanning</td>
<td>- Diversified business segments</td>
</tr>
<tr>
<td>- Diversity in technology and infrastructure</td>
<td>- Strong brand image</td>
<td>- Environmental volatility</td>
</tr>
<tr>
<td>- Economies of scale</td>
<td>- Global political (laws)</td>
<td>- Changes in government</td>
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<tr>
<td>- Operational efficiency and organizational new acquisitions</td>
<td>- Brand image</td>
<td>- New competition and industry</td>
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<table>
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<th>OPPORTUNITIES (O)</th>
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<td><strong>Internal Factors (IFs)</strong></td>
<td>- Technology logistics, supply chain, scanning</td>
<td>- Diversified business segments</td>
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<tr>
<td>- Diversified business segments</td>
<td>- Strong brand image</td>
<td>- Environmental volatility</td>
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<td>- Global political (laws)</td>
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</tr>
<tr>
<td>- Operational efficiency and organizational new acquisitions</td>
<td>- Brand image</td>
<td>- New competition and industry</td>
</tr>
</tbody>
</table>

Appendix A: FedEx TOWS
Appendix B: TOWS Analysis

**Pair 1: Infrastructure/E-Commerce Expansion**
- Effective E-Commerce Expansion will increase market share for FedEx, addressing intense rivalries and new competition in the market.
- Effective E-Commerce Expansion will support the current trend towards increasing levels of E-Commerce purchasing and home deliveries.
- Effective E-Commerce Expansion will involve significant capital outlay and may not significantly increase market share.
- Effective E-Commerce Expansion does not support the current trend of FedEx, which is moving towards concentrating on business to business deliveries and outsourcing its home delivery services.

**Pair 2: Technology/Medical Shipping**
- Effective Medical Shipping Expansion will increase partnerships with key companies in the medical industry and escalate market penetration in high-traffic areas.
- Effective Medical Shipping Expansion will allow FedEx to integrate and streamline their existing medical shipping services and will support the delivery of emergency medical supplies to underserved markets.
- Effective Medical Shipping Expansion will utilize technology implementation that may take more than three years to develop if drones are used for emergency medical supply deliveries.
- Effective Medical Shipping Expansion involves significant expenditures for technology innovation which will decrease free cash flow over the implementation period.

**Pair 3: Integration/Assimilation**
- Effective Integration will simplify internal operations and communication and will influence FedEx service excellence and encourage repeat customers.
- Effective Integration will support the FedEx philosophy of People-Service-Profit (PSP), strengthen their brand image, and increase cooperation within the FedEx’s diversified business segments.
- Effective Integration will reinforce the FedEx market position against threats and competitors.
- Effective Integration directly addresses the lack of public response to potential market entrant threats by organizing the company’s valuable business segments and human resources in response to competition.
- Improving integration, streamlining internal processes, and facilitating shared communication between all levels of the company will benefit FedEx in several key areas across the board.
- Effective Integration requires limited financial outlay, which will not adversely affect the company’s limited cash flow.

The complete analysis shows that the most impactful path to take is to address Integration and Assimilation. The Integration and Assimilation strategy addresses recent business segment development and acquisitions at FedEx, which include TNT Express, GENCO, and Northwest Research as well as partnerships with Walgreens and Walmart. Growth without effective implementation hinders success and damages brand image. Concerns in this area were confirmed during the recent interview with FedEx manager, Brian Bippes, who alluded to prior implementation and training difficulties with FedEx/Kinko’s and more recently with Walgreens. FedEx attributes its success to its “People-First” philosophy which is embodied in their People-Service-Profit model. Integration/Assimilation capitalizes on this philosophy, strengthens the company’s brand image, and supports its business strategy for increased growth.
Appendix C: IFAS – Internal (A: Impact B: Response)

STRENGTHS

Brand Image
A) In business for more than 45 years; the FedEx name is synonymous with dependable, consistent, and on-time deliveries. The FedEx brand image greatly influences their competitive advantage and leads to increased market share and profits.
B) Continue to promote the FedEx name and business through various initiatives, bolstering it by expanding and improving operations and exceptional service.

Economies of Scale/Global Presence
A) The company’s large scale of operations, reaching more than 220 countries, allows them to aggressively compete against other key competitors. This is very impactful given the growing demand of global shipping and high customer convenience requirements.
B) Continue to expand their global reach and scale of operations. Key examples of these are FedEx’s acquisition of TNT Express that will increase their global presence, and their recent announcement that they will invest more than $1 billion for the expansion project at their Memphis hub.

Infrastructure
A) With 664 planes, 90,000 motorized vehicles, 11 air express hubs, and 8,250 on site locations throughout the world, FedEx experiences less disruption of service than their competitors due to their extensive infrastructure.
B) Continue to strengthen and expand their infrastructure in order to maintain their level of service as their global reach and volume expands.

Technology
A) FedEx competes aggressively by remaining on the cutting edge of technology and innovation. Technology is necessary to provide their extensive shipping and logistics services.
B) They have been developing or purchasing key software since 1979; since then they continue to invest in technology to support their expanding operations and the global scope of their business.

Diversified Business Segments
A) Extensively developed segments (Express, Ground, Freight, Services) create a complete and integrated transportation/courier offering which strengthens their sustainable competitive advantage. Diversification of their business segments hedges against risk (i.e., if one segment suffers, another can compensate).
B) FedEx has acquired numerous companies in recent years to support and expand their business segments and should continue to do so.
WEAKNESSES

Data/Technology Security
A) Technology and support systems can be undermined due to rapid segment growth. This can weaken the integrity of FedEx systems, making them a ripe target for technological attacks due to their heavy dependence on technology (e.g., recent security breach with TNT Express). Could expose them to potential liabilities in case of a data breach.
B) Open communication with the public regarding security concerns (e.g., public statements regarding the TNT Express attack). Continue to invest in research and development in order to strengthen their technology infrastructure.

Financial
A) FedEx is heavily invested in long-term infrastructure purchases, which limits free cash flow and reduces liquidity. They also have an undisclosed amount of unfunded liabilities. Therefore, they are at a somewhat higher risk level. Risk also could negatively impact them should another recession occur.
B) They have looked at tax relief options in the past, and should continue do so, as well as address ideas that will strengthen their retirement portfolio and improve free cash flow.

Reliance on Contract Employee Model (FedEx Ground)
A) They have suffered financial losses from lawsuits as well as damage to their reputation due to their extensive use of contracted delivery drivers. Further research is needed on the possible long term effects of continuing to use the independent contractor model.
B) They continue to defend their position and hire independent contractors. One future response could be to examine other options for their ground services, limiting their need to guard against future lawsuits.

Assimilation/Organization of Rapid Growth and Expansion
A) Extensive business acquisitions and segment expansions significantly impact operational efficiency, communication, and culture. Issues can lead to disruption of service and dissatisfied customers.
B) Very little training was done for the Walgreens partnership/integration; the company also experienced integration issues with its Kinko’s acquisition. FedEx could develop plans for business integration and communication.

Lack of Proactive/Strong Public Response to Competitors
A) How they respond to or perceive competitors could cause them to minimize a credible threat, and their public responses are scrutinized by consumers. All could potentially impact market share.
B) FedEx sometimes responds by downplaying other competitors, instead of being more direct or transparent. They could respond by exploring new ways to compete.
THREATS

Global Political Unrest/Increased Security Requirements
A) Trade and border crossing changes can greatly impact operations and potential profit margins. Increased security requirements such as enhanced package screening could increase costs and liabilities.
B) FedEx expanded their business segments to include FedEx Trade Networks and increased their knowledge base by becoming experts in trade and custom transportation solutions. This has improved response time in the dynamic and changing international delivery environment.

Competitive Industry and New Competition
A) The transportation/courier industry is intensely competitive, which can impact FedEx’s market share and profitability.
B) They remain focused on expansion and innovation to stay ahead of competition. They proactively concentrate on customer service, efficiency, and cost in order to keep their edge.

Contingent Liabilities (Lawsuits):
A) Lawsuits can impact the bottom line as a result of increased liabilities and possible legal payouts, as well as negatively impact their reputation.
B) FedEx vigorously defends their position in court, and responds in a direct manner through public statements on their website. They also set aside reserve funds to pay for legal proceedings.

Changes in Government Regulatory Environment
A) Changes in domestic or international regulations can cause unforeseen expenses as FedEx adjusts to meet new requirements, impacting profitability.
B) FedEx monitors the changing regulatory environment and adapts accordingly (e.g., weekly fuel rate adjustments).

Fossil Fuel Price Volatility
A) Fuel price fluctuations can have a detrimental impact on the profitability in each business segment.
B) They refine their fuel rates weekly, extensively research alternative fuel measures, and set goals that will reduce dependency on fuel in the coming years.
EFAS – External (A: Impact B: Response)

OPPORTUNITIES

E-Commerce Market Expansion
A) Rising E-Commerce is forecasted to continue grow. DHL (Whih is returning to the US) and Amazon could impact FedEx by taking market share.
B) Aggressively compete by expanding delivery locations, business acquisitions, new markets and service options. Leverage strong brand image and global presence. Continue to develop infrastructure and technological innovation.

New Technology
A) Significant investments are required for purchasing and/or developing software and technology. Being a leader in shipping and logistics technology has positively impacted profit margins.
B) They continue to acquire technology/companies that can benefit FedEx, providing cost reductions or service enhancements. FedEx has focused on available options for medical shipping.

Sustainability
A) Use of green technology can reduce their dependence on fossil fuels and contribute to cost stability should fuel prices increase unexpectedly.
B) They have been expanding their fuel-efficient and alternative fuel vehicles. They should continue to reduce their footprint and engage in sustainable initiatives such as EarthSmart.

Medical Shipping
A) Medical shipping has good potential for market share growth and could drastically impact profit margin. Industry provides extensive opportunities to expand through technological advancements and/or partnerships.
B) FedEx has developed several temperature-controlled options to compete in this industry and has procured contracts with organizations in the healthcare field.

Integration (business segments, acquisitions, resources, HRM)
A) Integration influences FedEx at all levels internally. This impacts service, and, in turn, their sales/profits (i.e., dissatisfied employees can have a detrimental effect on a company’s overall health).
B) Previous integration issues have occurred with Kinko’s and Walgreens.
Appendix E:

FedEx Executive Leadership
Responsible For Approving This Strategic Opportunity

Frederick W. Smith: Chairman and CEO

Frederick W. Smith is the head strategist for all of the FedEx Corporation. With a bachelor’s degree from Yale University, Smith is committed to energy efficiency and has advocated for new standards and a national energy policy. Smith is the co-chairman of the energy Security Leadership Council, which is a trustee for United States Council for International Business. Beyond serving on the boards for several public companies, Smith has also served on the St. Jude Children’s Research Hospital and Mayo Foundation boards among many more. Smith has received numerous civic, academic, and business awards including the global leadership award. Smith is also a member of the National Aviation Hall of Fame and his worked on several memorial projects regarding World War II.

David J. Bronczek: President and COO

David J. Bronczek is responsible for marketing, sales, and all FedEx operating companies. Bronczek oversees FedEx Services, which provides sales, marketing, information technology, communications. Bronczek came to the executive board from the Memphis-based FedEx Express where he was the president and CEO. He graduated from Kent State University and immediately joined FedEx. Bronczek moved up the ranks from hourly team member to his current position. Bronczek is part of the five-member executive committee which plans and executes the company’s strategic business initiatives.

Alan B. Graf Jr.: Executive Vice President and CFO

Alan B. Graf Jr. is responsible for the corporation’s global financial functions, including financial planning, treasury, tax, accounting, controls, internal audit, investor relations, and corporate development. Graf joined FedEx in 1980, bringing bachelor’s and master’s degrees in business administration from the Kelley School of Business at Indiana University. Graf is also part of the 5 person executive committee which plans and executes the company’s strategic business initiatives.

Robert B. Carter: Executive Vice President, FedEx Information Services, and CIO

Robert B. Carter joined FedEx in 1993 and has over 35 years of systems development and implementation experience. He has bachelor’s degree in computer and information science from the University of Florida and a master’s degree from the University of South Florida. He has also been highly recognized and awarded by the industry, including receiving the Fast Company’s Most Creative People in Business award. Carter is part of the 5 person executive committee which plans and executes the company’s strategic business initiatives.
Mark Allen: Executive Vice President, General Counsel and Secretary

Mark Allen directs all the international and domestic legal, security, and governmental affairs for FedEx Corporation and its subsidiaries. With extensive international experience acquired over many years of working and living abroad and as a graduate of the University of Mount Union in Alliance, Ohio, the University of Memphis, Cecil C. Humphrey’s School of Law, Allen is a key contributor to global growth and expansion of FedEx worldwide. Allen is also a member of the five-person executive committee that plans and executes the corporation’s strategic initiatives.

FedEx Executive Leadership Responsible For Overseeing And Carrying Out This Strategic Opportunity

Donald F. Colleran: Executive Vice President, Chief Sales Officer

With a bachelor’s degree in business administration from the University of New Hampshire, Donald F. Colleran is the leader of the global organization of approximately 15,000 team members across multiple FedEx operating companies. Overseeing the customer experience from end to end, Colleran ultimately manages ongoing customer relationships. He facilitates global sales and solutions teams to execute the FedEx growth strategy. Colleran currently serves on the Strategic Management Committee of FedEx Corporation, which sets the strategic direction for the FedEx enterprise.

Rajesh Subramaniam: Executive Vice President, Chief Marketing and Communications Officer

Rajesh Subramaniam is responsible for global marketing and communications at FedEx. His international leadership experience, business insights, and focus on globalization have contributed to the success of FedEx and continue to provide a roadmap for future growth initiatives. Subramaniam received an undergraduate degree in chemical engineering from the Indian Institute of Technology. He earned two post-graduate degrees: a Master of Science in Chemical Engineering from Syracuse University and an MBA from the University of Texas at Austin. He also serves on the Strategic Management Committee of FedEx Corporation, which sets the strategic direction for all of FedEx.
Appendix F:
Organization Assessment

1. How are the departments organized? How many employees per supervisor/manager?
2. What processes are in place for employee reviews? How often are employees reviewed?
3. Is there a system in place for employees to review their superiors?
4. What is the priority, mission, vision at the acquired company?
5. Do the behaviors of the employees reflect the company vision/mission?
6. What is the tone at the top? Do leaders behave in a manner that is consistent with their company culture, philosophy, and beliefs?
7. What is the overall company culture? How is it viewed by employees?
8. What is the management structure (i.e., hierarchical, matrix, flat, centralized, functional)?
9. Is there flexibility between front line managers and employees?
10. What is the overall level of employee contentment, satisfaction, and engagement?
11. What is the employee turnover rate?
12. What type of employee attitudes prevail?
13. How diverse is the workforce and how is this viewed?
14. What kind of feedback communication processes are in place for their employees?
15. What is the general tone or energy of the company environment?
16. Does the environment seem to foster inclusion and allow employee contribution?
17. How does management view company morale?
18. How do employees view company morale?
19. What kind of benefits/perks does the company provide to its employees?
20. What type of pay structure does the company utilize?
Appendix G: FedEx Financial Ratios

Financial ratios use historical data to identify a company’s internal strengths and weaknesses, compare companies in the same industry, and project future financial performance.

➢ **Liquidity:** Liquidity measures indicate a company’s ability to pay its short term bills.

- The most common liquidity ratio used is the current ratio, which is the ratio of current assets to current liabilities. A higher current ratio shows that the company can more easily make current debt payments. *FedEx Current Ratio: 1.57, Industry 1.47 (CSI Market, 2018)*.

➢ **Solvency:** Solvency ratios are a gauge of a company’s financial stability, as they measure a company’s debt relative to its assets and equity. A company with excessive debt may not have the flexibility it needs to manage its cash flow as business conditions change.

- The most common solvency ratios include debt/asset and debt/equity. A lower debt/equity ratio usually implies a more financially stable business. *Debt/Equity Ratio: FedEx: 0.91, Industry 0.98 (CSI Market, 2018)*.

➢ **Profitability:** Profitability ratios are used to gauge a company’s ability to convert sales income into profit and free cash flow. The most common profitability ratios are:

- **Operating margin:** Ratio of operating profits/sales. (Operating profit = gross profit minus operating expenses)
  - *FedEx: 7.74, Industry 7.29*

- **Return on Assets (ROA):** Ratio of net income/total assets. This measures a company’s effectiveness in deploying its assets to generate profits. *FedEx: 4.9, Industry: 7.2*

- **Return on investment (ROI):** Ratio of net income/shareholders’ equity. This indicates a company’s ability to generate a return for its shareholders. *FedEx: 18.19, Industry 38.04 (CSI Market, 2018)*.

➢ **Efficiency:** Efficiency ratios measure a company’s ability to manage its assets and liabilities effectively. Measures of efficiency include:

- **Asset turnover:** Ratio of sales revenue/total assets. This measures a company’s efficiency in generating revenues from its assets. *FedEx: 1.28, Industry: 1.47*

- **Receivables turnover:** Ratio of net credit sales/average accounts receivable. This measures a company’s ability to efficiently collect its receivables; a higher ratio is more favorable.
  - *FedEx: 7.97, Industry 7.95 (CSI Market, 2018)*
## The Balanced Scorecard: Key Performance Indicators

<table>
<thead>
<tr>
<th>Prior Rank</th>
<th>Current Rank</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 10 KPI</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>Middle 30 KPI</td>
<td>4</td>
<td>3%</td>
</tr>
<tr>
<td>Bottom 10 KPI</td>
<td>4</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Financial Indicators**

- ROI: 8% (3% to 9%)

**Internal Business Process Indicators**

- Employee engagement: 80% (85%)
- Career growth opportunities: 6% (5%)
- Performance Staying About The Same: 4% (2%)

**Customer Indicators**

- Customer satisfaction surveys: 95% (98%)
- On-time deliveries: 95% (96%)
- Increase market share: 75% (78%)

**Learning & Growth Indicators**

- Customer Service Complaints: 75% (78%)
- Employee retention and recruitment costs: 6% (9%)
- Money-back guarantee costs: 5% (4%)

FedEx Corporation

All amounts for FedEx Key Performance Indicators are projections based on currently available figures.
# Appendix I: Gantt chart

## FedEx Human Resources Integration and Assimilation

Select a period to highlight at right.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>PLAN START</th>
<th>PLAN DURATION</th>
<th>ACTUAL START</th>
<th>ACTUAL DURATION</th>
<th>PERCENT COMPLETE</th>
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<tbody>
<tr>
<td>HR Staff Recruitment</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>HR Staff Training Program</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td>Development</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td>Company Assessment</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>6</td>
<td>100%</td>
</tr>
<tr>
<td>Information &amp; Investigation</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>6</td>
<td>100%</td>
</tr>
<tr>
<td>Top-Level Management</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>100%</td>
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<tr>
<td>Management Integration</td>
<td>8</td>
<td>10</td>
<td>8</td>
<td>10</td>
<td>100%</td>
</tr>
<tr>
<td>Management Training Employee</td>
<td>10</td>
<td>16</td>
<td>10</td>
<td>16</td>
<td>35%</td>
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<tr>
<td>Employee Training Line Level</td>
<td>16</td>
<td>20</td>
<td>16</td>
<td>20</td>
<td>0%</td>
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<tr>
<td>Surveying</td>
<td>20</td>
<td>24</td>
<td>20</td>
<td>24</td>
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<tr>
<td>Assimilation Benchmarks</td>
<td>24</td>
<td>30</td>
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<td>30</td>
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<td>Control Group Measurement</td>
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<tr>
<td>Implement Control Methods</td>
<td>24</td>
<td>30</td>
<td>24</td>
<td>30</td>
<td>0%</td>
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<tr>
<td>Continue Ongoing Collaboration</td>
<td>6</td>
<td>36</td>
<td>6</td>
<td>36</td>
<td>16%</td>
</tr>
<tr>
<td>Analysis &amp; Report</td>
<td>30</td>
<td>36</td>
<td>30</td>
<td>36</td>
<td>0%</td>
</tr>
</tbody>
</table>

FedEx Gantt Chart Example shows projections based on an estimated 12 months of program completion. HR Staff training takes place before program implementation.
### Appendix J: Program Implementation: Projected Costs

#### Human Resources Direct Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Human Resources Team Leader Salary</td>
<td>60,000</td>
</tr>
<tr>
<td>Human Resources Integration Team (3 employees)</td>
<td>135,000</td>
</tr>
<tr>
<td>Fringe Benefits (25% of salary)</td>
<td>48,750</td>
</tr>
<tr>
<td>Travel Expenses</td>
<td>20,000</td>
</tr>
<tr>
<td>Audio-Visual Equipment</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>265,750</strong></td>
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</table>

#### HR Assimilation Training/Program Development Costs

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<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FedEx Cultural Assimilation Targeted Training for HR Specialists</td>
<td>1,500</td>
</tr>
<tr>
<td>Cultural Program Development</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total Development Costs</strong></td>
<td><strong>3,000</strong></td>
</tr>
</tbody>
</table>

#### Indirect Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical and Administrative Salaries</td>
<td>3,000</td>
</tr>
<tr>
<td>Fringe benefits (25% of salaries)</td>
<td>750</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>1,000</td>
</tr>
<tr>
<td>Pre- and Post- Training learning materials</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total Indirect Costs</strong></td>
<td><strong>6,250</strong></td>
</tr>
</tbody>
</table>

#### Collaboration Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program evaluation/feedback/collaboration with Executive Management</td>
<td>27,500</td>
</tr>
<tr>
<td><strong>Total Collaboration Costs</strong></td>
<td><strong>27,500</strong></td>
</tr>
</tbody>
</table>

#### Total HR Specialist Team Cost Per Year:

**302,500**

#### Variable Costs Per Program:

**Management Training Costs:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management salary and benefits (based on time away from job)</td>
<td>10,000</td>
</tr>
<tr>
<td>Direct Materials (Program Materials and Incentives)</td>
<td>1,000</td>
</tr>
<tr>
<td>Classroom Space</td>
<td>2,000</td>
</tr>
<tr>
<td>Travel Expenses</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total cost per Management Training Session</strong></td>
<td><strong>13,000</strong></td>
</tr>
<tr>
<td>Projected cost per manager based on 20 managers per session</td>
<td><strong>650</strong></td>
</tr>
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</table>

**Employee Training Costs:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee salary and benefits (based on time away from job)</td>
<td>5,000</td>
</tr>
<tr>
<td>Direct Materials (Program Materials and Incentives)</td>
<td>1,000</td>
</tr>
<tr>
<td>Refreshments (Welcome week &amp; training)</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total Cost per Employee Training Session</strong></td>
<td><strong>7,000</strong></td>
</tr>
<tr>
<td>Projected cost per employee based on 20 employees per session</td>
<td><strong>350</strong></td>
</tr>
</tbody>
</table>

Managerial programs: 6 per year  
Employee programs: 70 per year  
**Projected Program costs for 1st year:**  
HR Specialist team cost per year  
**603,000**  
**302,500**  
**Total Program Cost for one year:**  
**905,500**

All program costs are projections based on currently available figures.
**Appendix K: Employee Survey**

Please complete based on your employment with (INSERT CURRENT EMPLOYER NAME HERE), NOT FedEx. Place a checkmark in the box ☑️ that matches the closest to how you fee.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Somewhat Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>My work gives me a feeling of personal accomplishment.</td>
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<td>2.</td>
<td>I have the tools and resources to do my job well.</td>
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<td>3.</td>
<td>I have clearly defined goals in my job.</td>
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<td>4.</td>
<td>My job makes good use of my skills and abilities.</td>
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<td>5.</td>
<td>Overall, I am satisfied in my current position.</td>
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<td>6.</td>
<td>I am valued by my supervisor, and he/she is open to feedback I provide.</td>
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<td>7.</td>
<td>I am rewarded for the quality of my efforts.</td>
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<td>8.</td>
<td>I feel productive in the tasks I complete.</td>
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<td>9.</td>
<td>I am satisfied with the variety of tasks in my position.</td>
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<td>10.</td>
<td>Employees at my company are recognized as individuals and valuable.</td>
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<td>11.</td>
<td>I feel supported by my peers in my work environment.</td>
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<td>12.</td>
<td>I feel supported by my supervisor in my current work environment.</td>
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<td>13.</td>
<td>I enjoy the company culture at my current job.</td>
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<td>14.</td>
<td>I feel like I support the company’s mission/vision in my current position.</td>
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<td>15.</td>
<td>My work culture is inclusive and accepting of me.</td>
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<td>16.</td>
<td>I am aware of my company’s values, principles, and beliefs.</td>
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<td>17.</td>
<td>I align my behavior with my company’s values, principles, and beliefs.</td>
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<td>18.</td>
<td>Management at all levels behave in a way that is consistent with our company values, principles, and beliefs.</td>
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</tbody>
</table>

**Calculation Formula:**

$$\text{Individual Test Assessment} = \frac{\text{Sum of all points}}{\text{Total number of points}} \times 100 \%$$

All percentages are added and divided by the number of surveys taken. This figure is the baseline and used as a benchmark to compare future levels of employee engagement, contentment, and satisfaction. This survey will be retaken at 6 months and 12 months after the acquisition has occurred.
THANK YOU!

“We love it when a business strategy comes together!”