

EXPERIENCING A CUSTOMER- FIRST CULTURE WITH FEDEX TECHCONNECT

An inside tour of the **FedEx**
Memphis World Hub.

By **Susan McDaniel**

Execs in the Know

 @SMCWpg



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A customer-first culture is the key to brand loyalty and long-term success. I have always understood this and have advocated it to the Execs in the Know community. I have read all the studies and data and have seen the financial impact models. However, it surely is something different to, not only be reading the theory, but to work with and experience the operation of a company that takes this concept to a new level. In preparation for the Customer Response Summit in Memphis, I had the pleasure of working with FedEx TechConnect, which has both inspired me and reinforced my desire to continue to promote a customer-first culture as an enabler for customer success.

Who is FedEx TechConnect? With nearly 3,500 employees, FedEx TechConnect is a subsidiary of the FedEx Services organization. As it states on its website, its mission “is to provide an unparalleled and fully differentiated customer experience to the global marketplace while delivering profitable revenue through outstanding customer, revenue, information and repair services. Our goal is for every interaction to end with a thoroughly delighted customer, ensuring they will conduct business with FedEx again and again.”

FedEx TechConnect opened its doors for guests of the Customer Response Summit to view its Global Command Center, Social Hub, Global Operations Control Center, Packaging Lab, Memphis World Hub and Repair Service Center. In addition, Cary Pappas, president and CEO of FedEx TechConnect, delivered the opening keynote on “Predicting Customer Behaviors to Improve Customer Experience.” This set the stage for us all to realize the possibilities of success when you clearly focus your organization on your customer.

What Is Customer Centricity?

Let’s take a step back and look at what truly defines customer centricity. A customer-first culture needs to inspire what your brand ultimately stands for. You become an organization that truly believes in the experience you are promising—your customer is priority No. 1 and every role within the organization understands how they contribute to this goal.

To begin, leadership must set the stage by building alignment and definition on their vision for customer centricity in their brand. I have seen this done well in many organizations, however, the next step is typically where the gaps begin. Management in all areas of the organization need to embrace the same vision and understand their ability to make customer-focused decisions. They are the conduit for success to the front line and the true success behind employee engagement. Analysis done by consultancy firm Bain & Company demonstrates that employee engagement drops rapidly below the senior leadership level. According to Bain & Company’s Rob Markey, “Engagement scores decline as you do down the org chart, so highly engaged senior executives are likely to underestimate the discontent on the front lines” (“The Four Secrets to Employee Engagement,” HBR Blog Network, *Harvard Business Review*, Jan. 27, 2014). This is where leadership’s hard work has the greatest potential to break down.

Empowerment and knowledge are the keys. When frontline team members are engaged around the brand’s mission and vision, they are able to make customer-motivated decisions and elevate the customer experience. When customers can genuinely feel the brand’s commitment to them during an online experience, the loyalty gains are considerable.

This is where FedEx TechConnect excels. The level of employee engagement and commitment to the customer is evident at every interaction. Inside FedEx, they joke that each team member’s blood is purple. I would argue that it really is no joke. FedEx team members are asked to make the PURPLE Promise: “I will make every FedEx experience outstanding.” It is a promise that is not taken lightly and, ultimately, has become a market differentiator for them.



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Execs in the Know founders present FedEx TechConnect execs with an Inukshuk in appreciation of FedEx's teamwork, collaboration and industry leadership. From left: EITK's Chad McDaniel (Founder & President) and Susan McDaniel (Co-Founder & VP) with FedEx TechConnect's Cary Pappas (President & CEO), Ginna Sauerwein (Managing Director), Sherri Strickler (Senior Manager), and Sherri Tipton (Program Management Advisor).



In looking back from when I initially started working with the support team at FedEx, I didn't realize the depth of the culture and approach of the FedEx team. Large tasks and difficult planning details were always met with a "we will get this right and it will be awesome" attitude. The confidence seemed to come from the understanding that their team and organization would ultimately find a way to work together to make it successful. They always did.

On Tour at FedEx

Let's walk through their operation: FedEx handles about 10 million packages daily. Amazingly, that number more than doubles to over 22 million during their holiday rush. Every day, the FedEx team juggles many variables such as package volume, weather, road construction and air traffic control delays with one singular purpose—to deliver their customers' packages on time and damage free. To accomplish this, it takes a team of highly skilled professionals who closely manage their networks.

I started my tour in the Global Command Center—an impressive room where monitors of every kind display the weather conditions across the country, as well as call patterns and network issues across the enterprise. We talked a lot about contingencies—for instance, how do you plan to mobilize a workforce to deal with a massive storm and the impending calls that follow? We went through all of the hard planning items—from call trees to an approximately 75% work-at-home agent base that is easier to mobilize to text alerts and more. All of that was impressive, but it was the confidence that David Loges, managing director of FedEx Customer Services, possessed when asked how he can sound so convinced about his team's ability to deliver on their objectives. His confidence came from the fact that he has passionate people working with him and they want to be sure that they are able to deliver their goals. They work as a unit and take great pride in ensuring that customers receive what they are promised. With a background in running large operations and workforce management, I sadly cannot say that I ever had that extreme confidence. I always knew that I had team members who would rise to the challenge, but not due to the desire to not fail the customer.

My tour then took me to FedEx's new Social Hub where they are monitoring their customers' needs across all of the social channels. Proactively and reactively, FedEx is keeping a close eye on their ability to service their customers socially and to identify customer experience opportunities on which to improve.



Loading cargo planes at FedEx Global Operations Center and Memphis World Hub.



We then went on to the impressive Global Operations Control Center and Memphis World Hub. Great resources within FedEx are committed to monitoring air traffic and keeping an eye open for potential issues that could impede their delivery commitment. I talked to many agents offline and there was always a consistent theme—the customer. They were not there to meet a KPI, or a scorecard objective. They had one goal in mind. Most importantly, they were empowered to make customer-first decisions. Each team member embraced the vision, and most that I talked with had personally had the opportunity to meet and discuss with Cary Pappas himself how they played a role in FedEx .

The FedEx footprint is beautiful—professional, modern and comfortable. Does the footprint have overly glamorous employee lounges with candy, food, gaming rooms and ping pong tables? No. They don't need it. Their employee engagement is high and the team's commitment is real. It is driven out of recognition, respect and the belief that the company understands their needs and concerns. Engagement on what FedEx stands for is consistent through all levels and areas of the FedEx operation. So the question becomes, what has enabled FedEx to be consistently ranked among the world's most admired and trusted employers? I don't know the whole recipe but I do know that vision, communication, alignment, consistency, teamwork and passion for both their external and internal customers are certainly top ingredients.


Key Takeaways from the Summit

The guests of the Customer Response Summit in Memphis this past September walked away with a strong sense of the need to embed the customer into all points of their organizations. For this, I am very grateful to FedEx TechConnect. The companies that succeed in this challenge will be those that recognize the needs of both their internal and external customers. Employee engagement is paramount in order for your customers to really understand that you have created a culture centered around their needs. Is it easy? Absolutely not—but the benefits will be profound.

FedEx personnel sort boxes at the company's Memphis World Hub.



As we have discussed, embedding your customer into every point of your operation is critical. To develop your customer-first culture, you must concurrently understand your customers' experiences, preferences, perceptions and expectations. That is why Execs in the Know and Digital Roots collaborated to produce the 2014 CXMB Series. The 2014 Consumer Edition of the CXMB is the largest and most comprehensive edition of the CXMB Series so far. With the participation of more than 20,000 U.S. consumers and over 100 specific data points, the report dives deep into how specific channels of care are being utilized, by whom and what is expected.

More than just facts and figures, this valuable report provides deep insight into the experiences, preferences, perceptions and expectations of consumers across industries, channels of care and demographics. Please feel free to visit our site at www.execsintheknow.com to learn more. 

Susan McDaniel is the Owner and Co-Founder of Execs in the Know. For over 15 years, Execs in the Know has built a reputation of excellence in the Customer Experience industry and a global community of over 60,000 customer experience professionals.

✉ susan@execsintheknow.com

☎ www.execsintheknow.com

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