



FedEx & the TBM Journey: IT & Finance Partnering for Success

Marty Haywood

Manager, IT, FedEx Corporation

Keith Okello

Manager, Finance, FedEx Corporation

November 8, 2016



A connected world

is a better world.

ALL OVER THE WORLD, FedEx is making connections and turning promise into reality.

Connecting people with goods, services, ideas and technologies creates opportunities.

Opportunities that build jobs, generate prosperity and lift communities to higher standards of living.

FEDEX BY THE NUMBERS

>400K
TEAM MEMBERS
WORLDWIDE

Connecting

>99%
GLOBAL GDP

Moving

>12M
SHIPMENTS EACH
BUSINESS DAY
(AVG. DAILY VOL.)

To

>220
COUNTRIES &
TERRITORIES

FedEx®

RPS

Caliber System, Inc.

kinko's®

MultiPack®

bongo
INTERNATIONAL

Supaswift

TNT

1989

1998

1999

2001

2004

2006

2011

2012

2014

2015

2016



**FLYING
TIGERS**

Caribbean
Transportation Services

**AF AMERICAN
Freightways®**

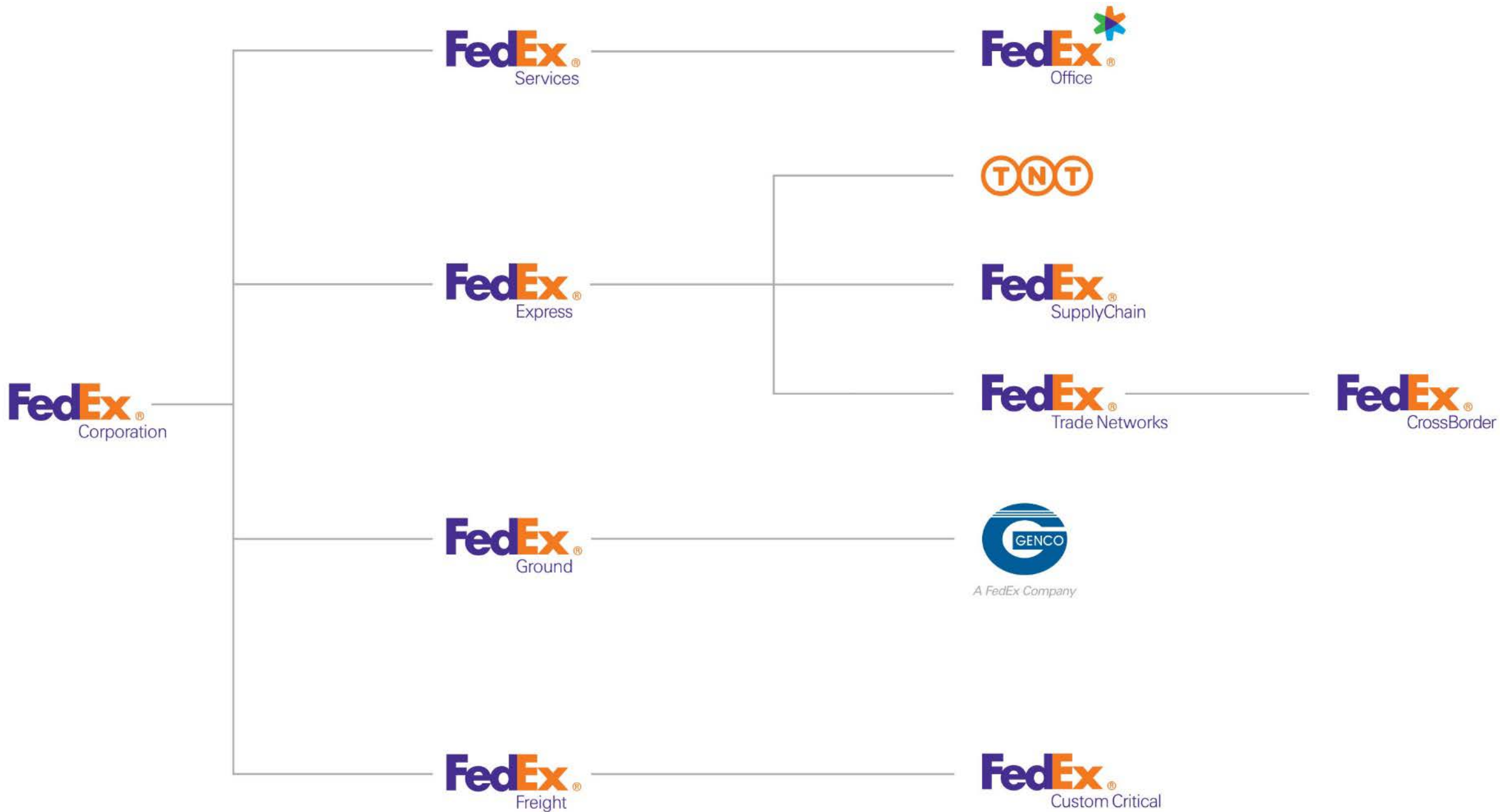
WATKINS
MOTOR LINES, INC.

OPEK

TATEX

Rapidão
Cometa

G
GENCO



The FedEx Strategy

Compete Collectively

by standing as one brand worldwide
and speaking with one voice.

Operate Independently

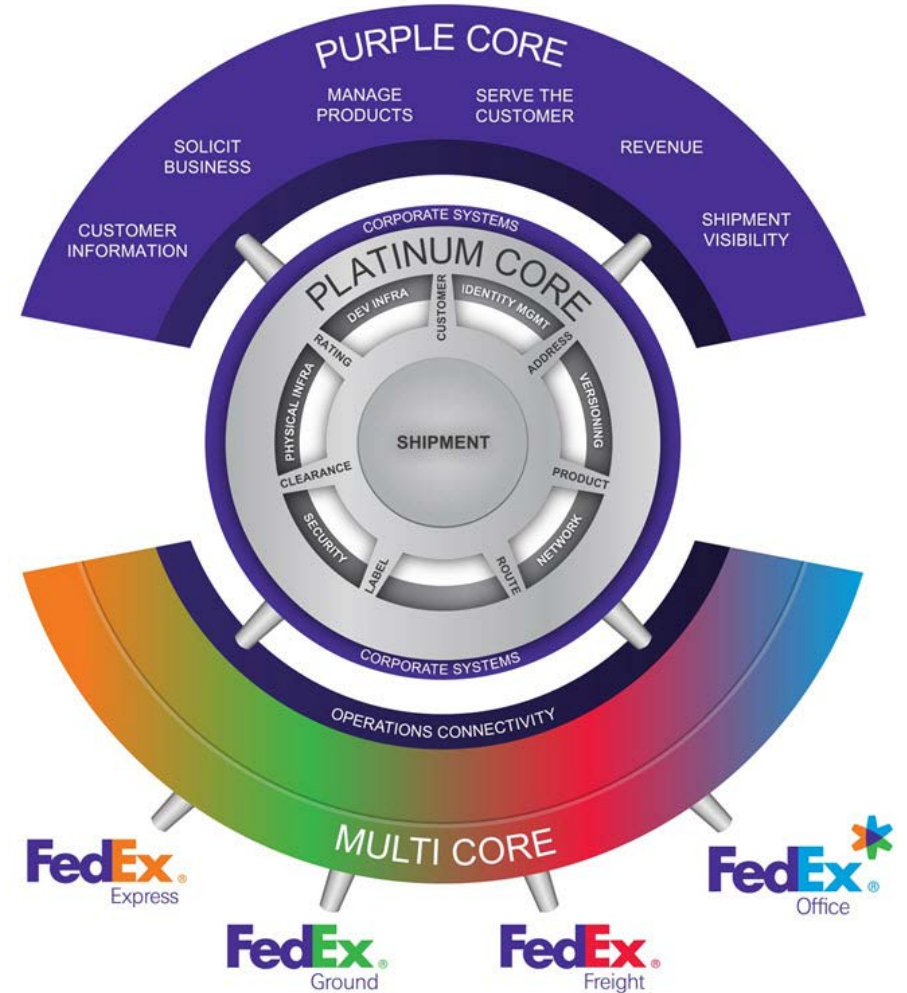
by focusing on our independent networks
to meet distinct customer needs.

Manage Collaboratively

by working together to sustain loyal relationships
with our workforce, customers and investors.

At FedEx Services leverage technology to connect business units to solutions

FedEx Services IT leverages technology and innovation to serve our customers and our workforce.



Technology

28 global data centers

53B daily transactions

>10M automated shipping labels created daily

>75M daily tracking requests

15M Domestic App Servers

3.3K Domestic Network Devices

Storage

18.5 PB FC Block

5.8 PB NAS

>1 PB Object/CAS

~20 PB Backup

Innovative solutions

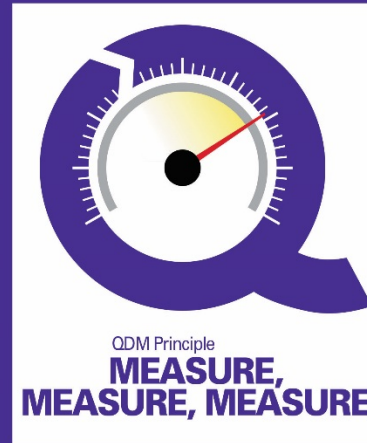
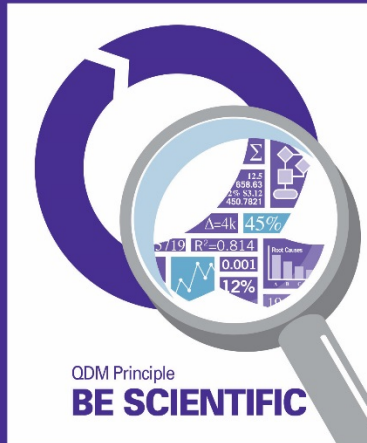
- SenseAware
- Six-sided scanning
- FedEx Delivery Manager

Prior to the start of our TBM Journey Finance, Business and IT Leadership constantly and consistently asked for more visibility



What were the driving principles that lead FedEx to TBM?

FedEx uses Quality Driven Management (QDM) as a foundation:

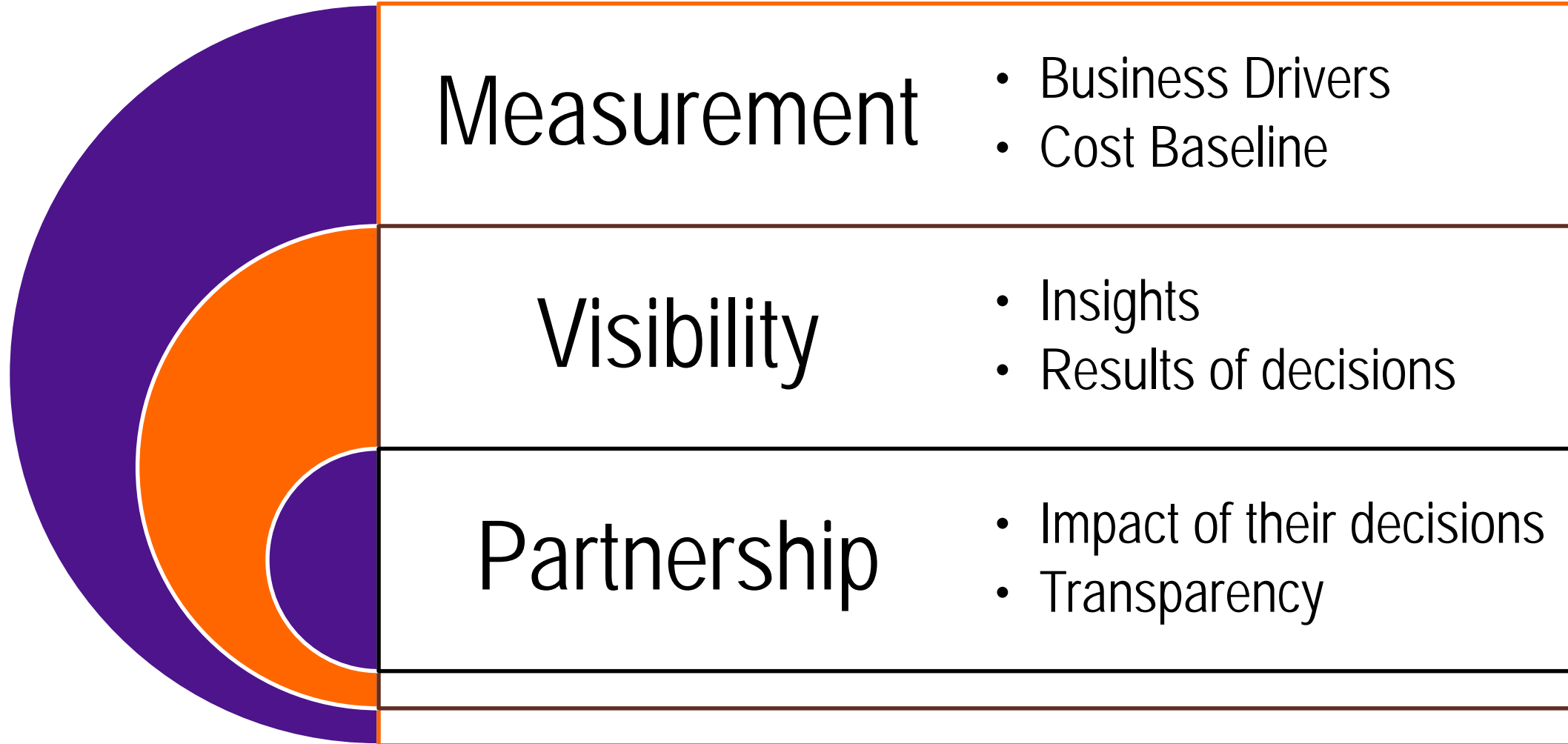


FedEx®

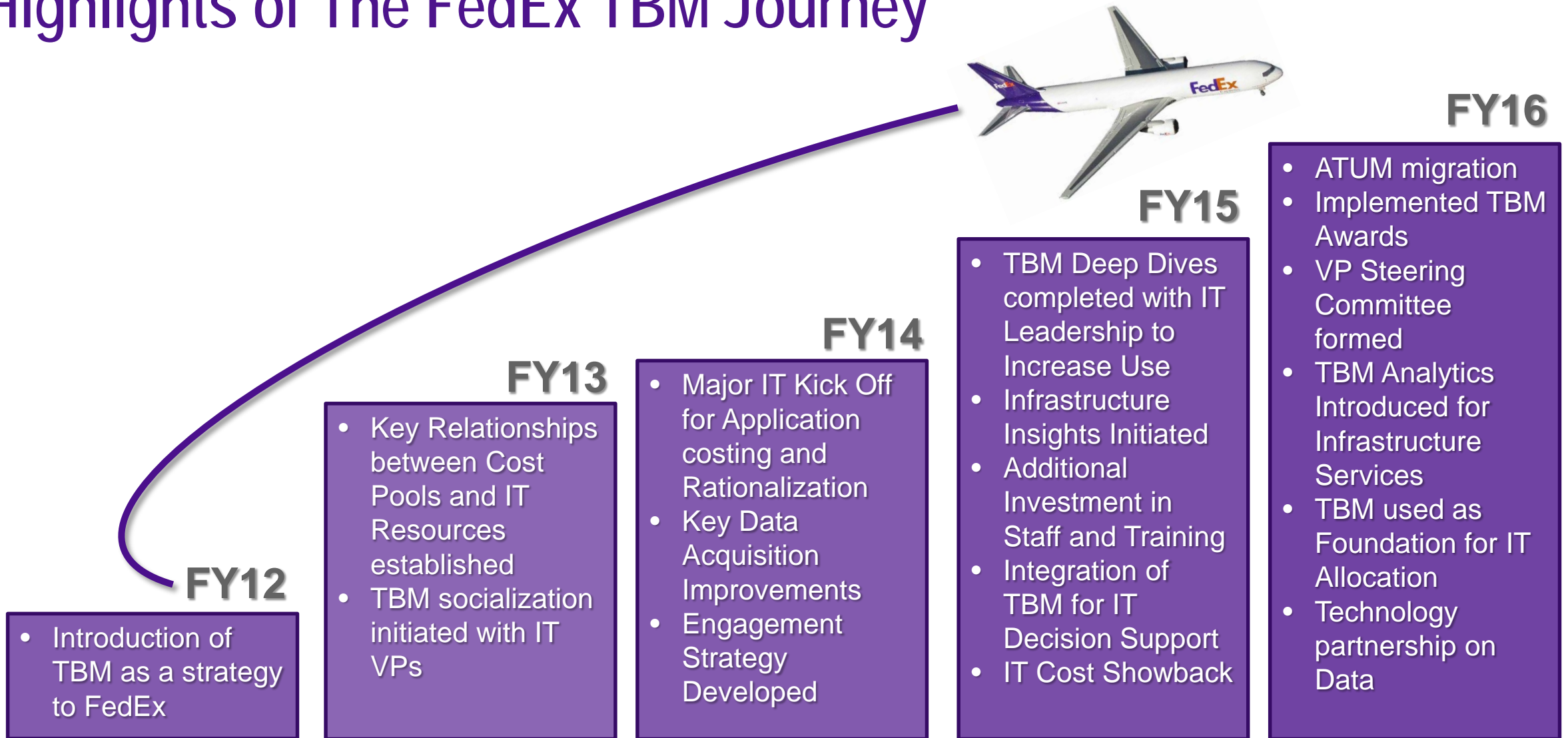
Work Smarter. Achieve More.

Quality driven
MANAGEMENT

TBM was a natural extension to improve our visibility and provide IT with more confidence to support strategic planning



Highlights of The FedEx TBM Journey



The TBM Charter keeps us focused on our mission and continuous improvement

Mission

- Provide visibility and Increased transparency
- Cost, Quality, and Value of delivering IT Services

Vision

- IT operations and strategy
- Make the IT costs more understandable

Values

- Drive actions and decisions
- Manage the supply and demand

TBM Office was created by Finance and IT professionals

Why did we choose to collaborate?

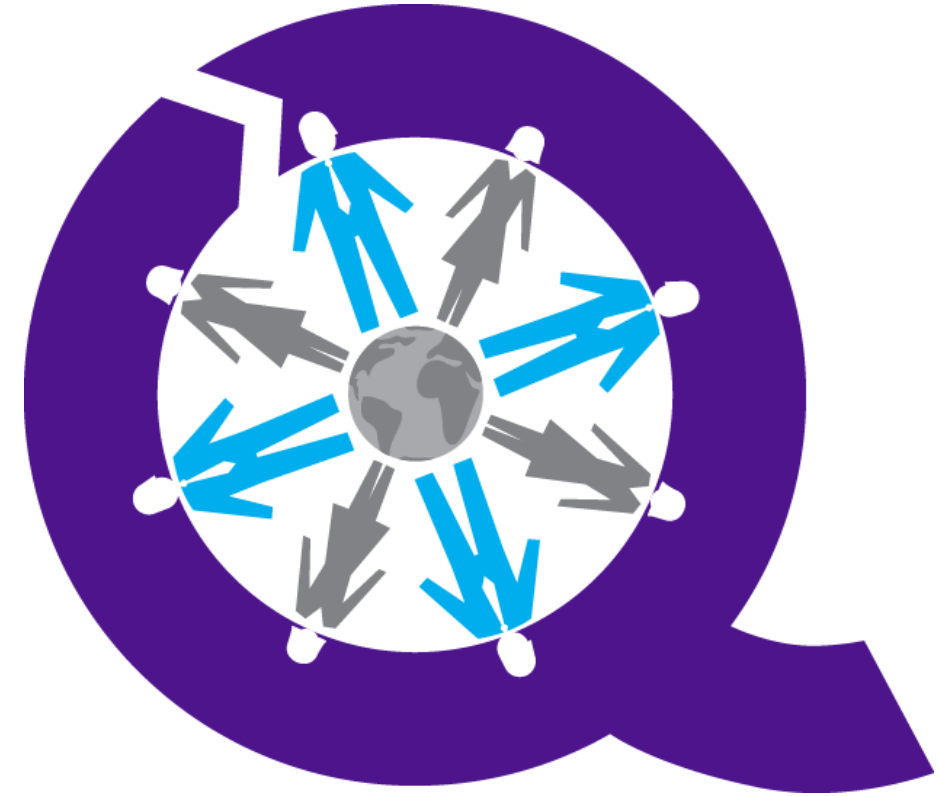
- Expertise was spread between the work groups

What did we aim to do?

- Involve all stakeholders
- Clarify roles and responsibilities
- Involve everyone in quality efforts

Why this was Important to FedEx

- To ensure assumptions used were valid
- Leverage team skills to communicate to various stakeholders



TBM Office designated the following responsibilities to team members



IT

- Program Management Leadership & Change Management
- Acquisition of Data Driven Consumption Metrics
- Co-Lead discussions with Application & Service Owners
- Lead discussions with Sub Tower owners and provide them with consumption analytics



FINANCE

- Allocation of costs from the General Ledger to Sub Towers /Towers
- Collaborate with Application and Services owners to allocate costs to Business Units
- Co-Lead discussions with Application & Services Owners
- Lead discussions with Business Units
- Provide assumptions used in business cases



TBM required acquisition and maintenance of the following key data elements



Financial Data

Mapping
General Ledger
data to
associated
tower

Inventory

Listing of
assets and
resources
that manage
them

Technology
Consumption

Application &
Service
utilization of IT
technology &
resources

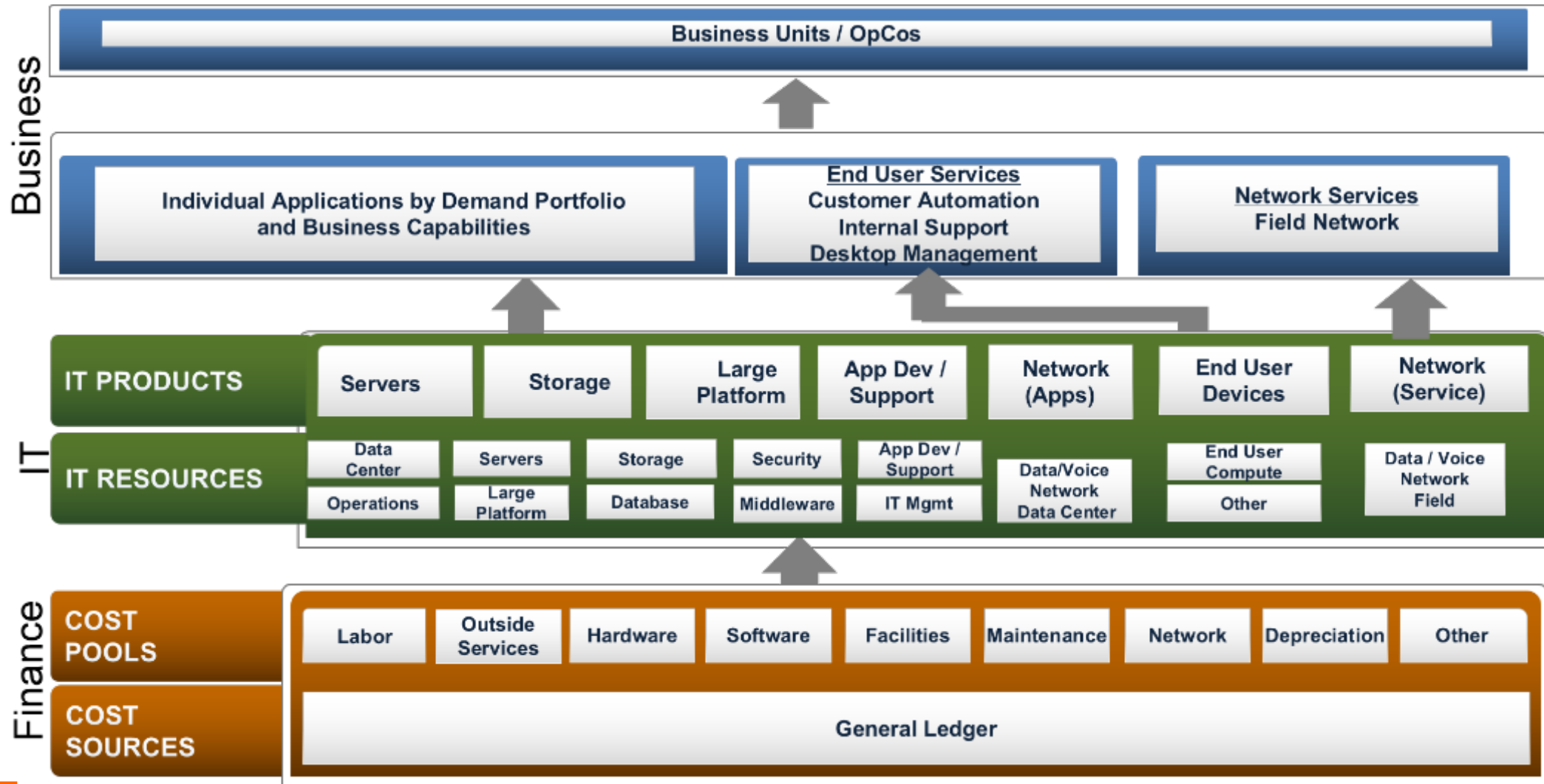
Business
Unit
Utilization

How
business
units use our
applications
& services

Reporting

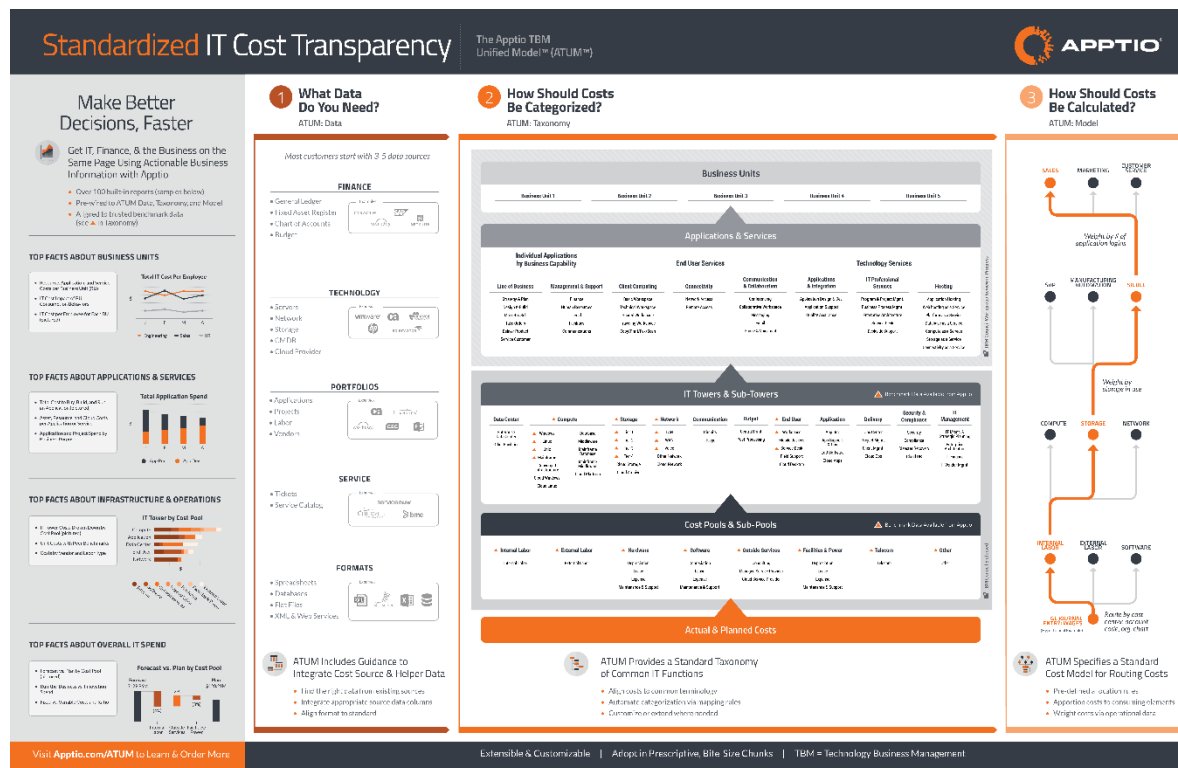
Transparency
and providing
visibility of
output to
stakeholders

The TBM Legacy Model introduced TBM to FedEx



The FedEx transition to the TBM Standard Model, ATUM*, represents a continued commitment by FedEx to our TBM Journey:

Our original model development and implementation provided a foundation that highlighted the importance of TBM as a strategy for FedEx, the adoption of an industry standardized model was another natural step in our evolution of TBM as a decision support tool...

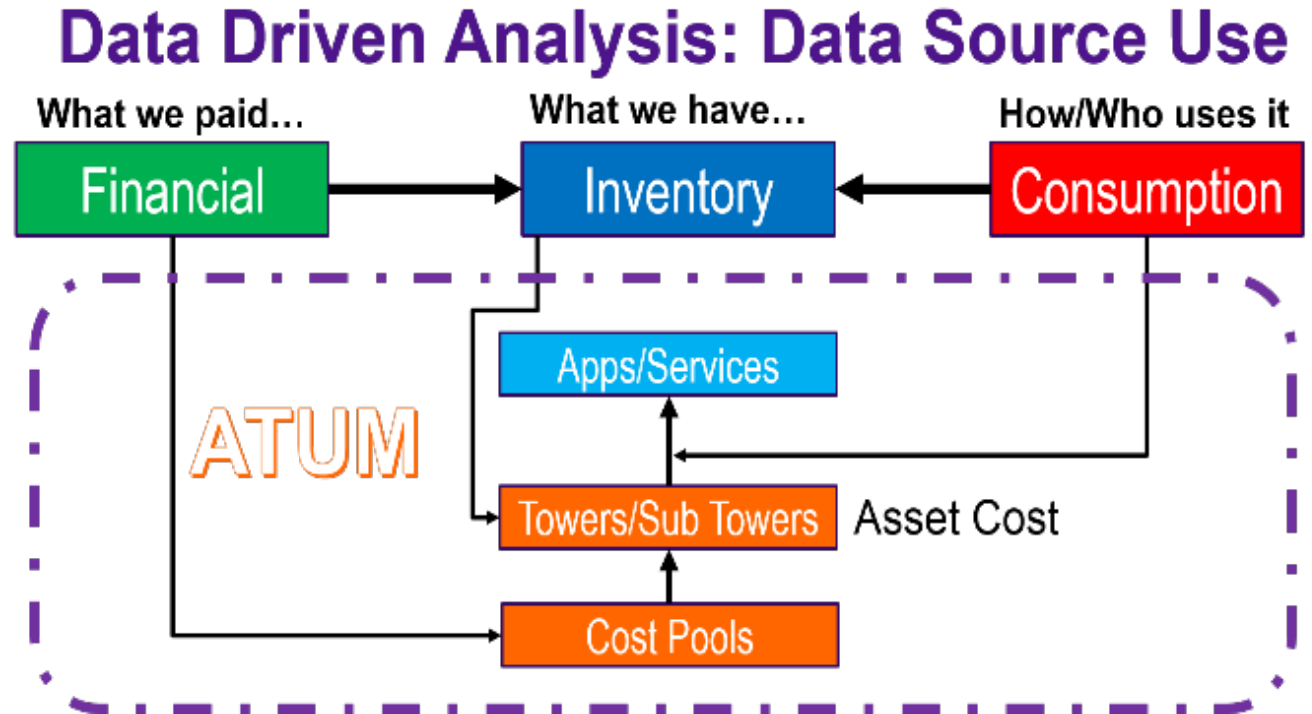


*Apptio TBM Unified Model (ATUM)

Understanding Data is key to continuous improvement

At FedEx the TBM Office has established a simple approach to data definition, visibility and quality with our Subject Matter Experts

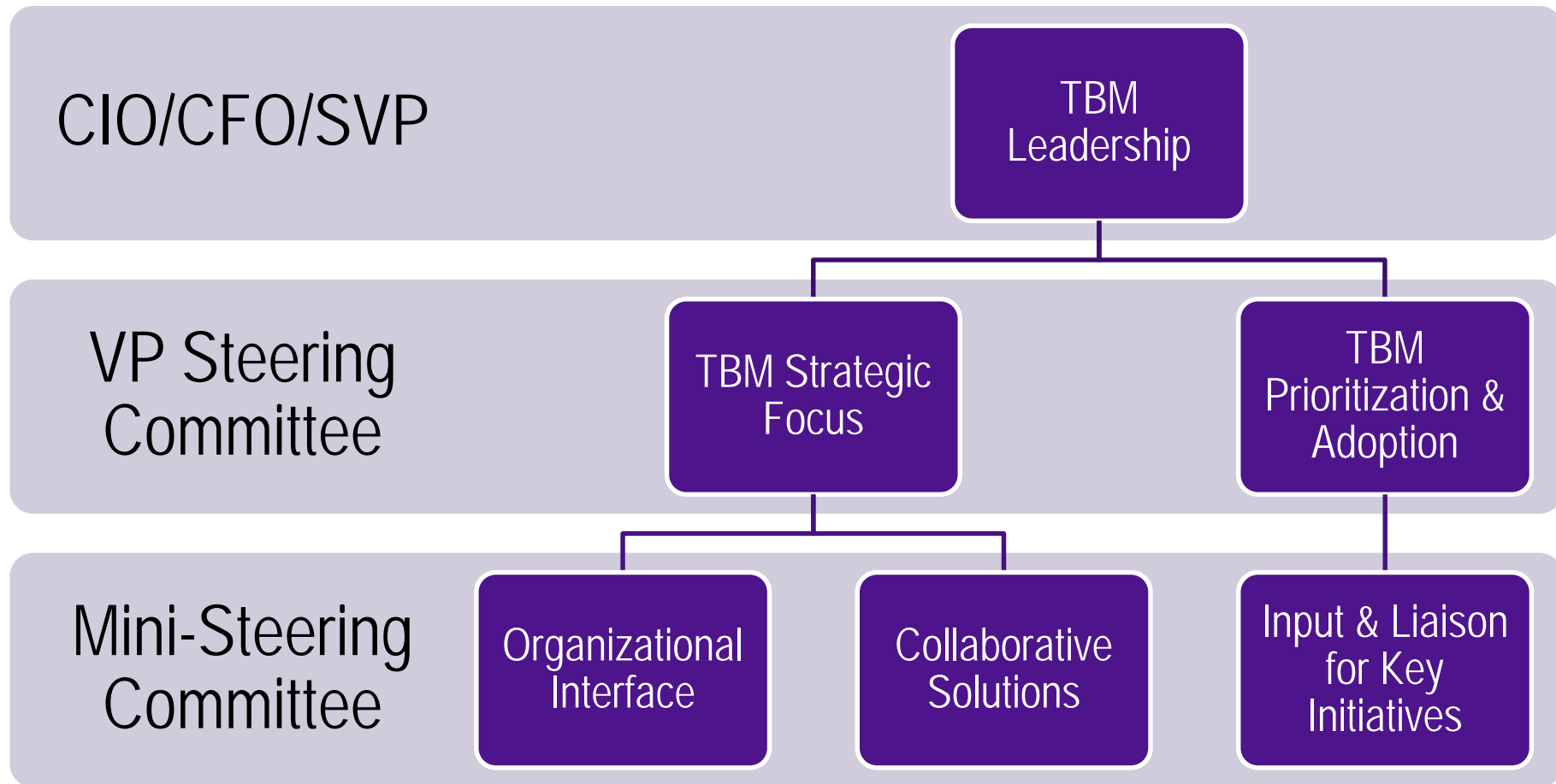
- TBM Analytics development that supports key goals/objectives
 - Providing **insight** to infrastructure teams around data source and use within TBM
 - **Visibility** to improve confidence in data foundation
 - Establishes metric relationships for **key cost drivers**
- Enhances conversations between infrastructure and service owners
- Data improvement is a never ending process



*Apptio TBM Unified Model (ATUM)

Engaging the Leadership

Success is dependent on integration of the TBM strategy across IT & Finance Leadership



IT teams continue to engage successfully with the TBM office



TBM Overview



Understand Application
Cost Drivers



Model
Improvements



Infrastructure
Insights



Share Data
with Stakeholders

We have established a high level of trust with IT and Business leadership through education and transparency

FedEx TBM Awards: recognizing leadership

Quality Involves Teamwork

3

TBM

Champion

Level 2 + Fostering adoption through conversations with Customers and Business Units

2

TBM

Engagement Leader

Level 1 + Recommending model improvements

1

TBM

Supporter

Recognize IT Leadership for time invested in understanding TBM and promoting use

TBM

Key Contributors

Recognize team members and managers that support TBM activities and use it in their teams

Lessons Learned

To be successful you have to continuously:

- Push multi-level engagement from CFO/CIO/CEO and other professionals
- Work with what you have without seeking perfection
- Keep track of data elements that need improvement
- Provide total visibility and transparency to all stakeholders
- Leverage experts
- Recognize individuals that champion the TBM mission
- Use TBM as a Business Management tool





Questions?

November 8, 2016

