

## **FedEx EXCEL Case Study**

### **Phase One: Reviewed Executive Development Opportunities at FedEx Based on a Desire to Ensure the Continuation of a Strong Leadership Pipeline**

As a company with a long standing history of promoting from within, FedEx continues to place great emphasis on ensuring the development of future leaders – and, with good reason. Some 90% of Officer-level hires are internal, meaning that the company needs to prepare individuals to be ready for whatever challenges lie ahead. With tenures of 20+ years of experience on the company’s senior executive team, many senior Officers “grew up” in the company. Aware that some of the company’s long tenured leadership would soon be eligible for retirement and recognizing that eligibility as a possible risk to the continuity of the business should those individuals choose to retire, the FedEx senior executive team wanted to ensure the company prepared a leadership pipeline to be ready to support future talent needs. As a result, the company formed an enterprise-wide Executive Development Team in 2005 responsible for developing and implementing executive development initiatives. This team, which was led by the corporate office, included learning and development professionals from all of the FedEx major operating companies: FedEx Express, FedEx Freight, FedEx Ground, FedEx Office, and FedEx Services. These individuals were assigned to the team through their operating company HR leadership. One of their first enterprise initiatives was to implement an assessment process that would support development planning for individuals identified as successors to Officer level positions. Using summary data gathered through this assessment process, the team was able to identify opportunities for further development in the assessed population. This data led to the eventual plan to create an enterprise-wide development program for high potential Vice Presidents. The team had interest in pursuing a development program model that would allow the benefit of high quality business school content while being focused on areas of interest to FedEx without being tied to a single business school. After building internal support for the program and carefully overseeing third party vendor construction of the program, FedEx delivered its first enterprise-wide executive development program in 2008.

### **Phase Two: Utilized Data from Developmental Assessment Process**

The assessment process involved a rigorous, 2-day experience that was provided through a third party vendor along with several online instruments. Components included:

- Simulation-Based Experience – an intensive one and one-half to two-day session conducted by a vendor provided coach that provided participants with scenarios often required at the next levels of leadership
- Online instruments -- completed in advance of the simulation experience, gathered individual data in the areas of 360 feedback, work experience, and career interests.

The assessment experience targeted high potentials who were identified as possible successors to Officer-level positions during their respective operating company’s talent review processes that involved talent review meetings to calibrate talent through discussion and the use of common definitions . The process included a follow-up development planning meeting with the participant, the participant’s manager, and a vendor provided coach. The Executive Development Team used aggregated data (summarized by the vendor) to determine possible focal areas for the program.

### **Phase Three: Designed Program to Prepare Vice Presidents for More Senior Roles**

With the aggregated data serving as the starting point for the program design, the team also followed up by interviewing senior executives to get reactions on identified content and to understand their perspectives on the capabilities they believed would be needed for senior executives in the future. Interview questions included items such as:

- What industry trends are you watching most closely?
- What do you see Officers doing to encourage innovation and risk taking? What would you like to see them do?
- What does “executive presence” look like at the Senior Executive level?

Data gathered through these interviews was then used to determine content and create learning objectives. Members from the Executive Development Team then formed a sub-team known as the EXCEL Steering Team to further lay out plans for what a “FedEx” program could look like. Assignment to the team was largely based on individual interest in participating. Because Corporate Executive Development is actually a very small group, involvement from the steering team became critical. To allocate work (and ensure each OpCo had some “skin in the game,”), each OpCo represented on the steering team agreed to take on responsibility for oversight of one of the modules. After several meetings, the team created a Request for Proposals (RFP) document (see Figure 1.1).

Components of the RFP included:

- Introduction
- Background
- Overview of Desired Components
- Component Relationships and Details
- Component Descriptions
- Anticipated Component Timeline
- Expected Contract Deliverables
- Proposal Specifications

(Figure 1.1)

**FedEx Corporation**  
**EXCEL**  
**Request for Proposal**

**Introduction**  
We welcome your proposal for working with us to develop and implement learning components identified for the Executive Curriculum for Enterprise-wide Leadership (EXCEL) program. The background for this request is noted below.

For consideration, your complete proposal must be received via email, FedEx Express, or regular mail by 5:00 P.M. (central time) on Friday, May 25, 2007.

FedEx Corporation  
[Redacted]

For additional information or clarification, please contact Becky Atkelson at 901.618.7014 or [rebecca.atkelson@fedex.com](mailto:rebecca.atkelson@fedex.com).

**Background**  
The modern air/ground express industry was invented with the founding of Federal Express in 1971; the corporation was created in 1998 as FDX Corporation and became FedEx Corporation in January 2000. FedEx Corporation is headquartered in Memphis, Tennessee and employs more than 275,000 employees and contractors worldwide. The corporation handles more than 6.5 million daily shipments for express, ground, freight and expedited delivery services and provides services to more than 220 countries and territories, including every address in the United States. The organization is currently structured with a corporate office and five major operating companies: FedEx Express, FedEx Freight, FedEx Ground, FedEx Kinko's, and FedEx Services. A number of sub-operating companies exists within each of the five major operating companies. Recent awards include FORTUNE No. 6 among "America's Most Admired Companies" (2007) and FORTUNE No. 7 among "World's Most Admired Companies" (2007).

In 2005, the corporation established the Executive Development and Succession (EDS) Team with representation across operating companies to support the development of general management capabilities in key talent. The EDS Team is currently undertaking an initiative to accelerate the development of high potential Officers. This initiative involves the creation of a 12-month curriculum that would be targeted for Vice-Presidents and would be aimed at positioning the enterprise for continued success. The program would focus on preparing participants for higher levels of leadership responsibility by developing skills related to general management capability and enhancing cross-operating company perspective. Currently, no enterprise-wide program exists with this focus. We have assessed the specific needs of this population and defined related modules according to purpose, focus area, and related action learning opportunities. The initial run of the program will target 15 to 18 participants from across the FedEx operating companies.

This Request for Proposal is being sent to identify the most appropriate vendor partner(s) for this venture. The intent is to find the best match for an on-going relationship in meeting the organization's needs in the defined areas. Invited vendors may respond to any number of the identified program components based on their level of expertise and desire to provide products and services in the area of interest.

As part of the vendor selection process, the team assessed responses to the RFP in the areas of:

- Vendor experience with content
- Vendor experience with Officer-Level Leadership programs
- Alignment of vendor’s approach with target content
- Ability to integrate with the Action Learning Component
- Cost
- Past experiences with the vendor
- Client references
- Ability to align/coordinate multiple components
- Ability to align/connect content with content produced by others
- Vendor reputation in the area of interest

Through the RFP process, the team decided on a primary vendor who helped identify “niche” faculty for the developmental areas of interest to FedEx. Once the program design process was underway, the team met with the vendor and senior executives to identify a strategic business challenge as an action learning component based on areas of opportunity for the company that would benefit from an enterprise approach and help participants apply program learnings. Criteria for the challenge included relevance to all OpCos, linkages to the enterprise business strategy, involvement of multiple customer segments with global implications, and characterized as having only minimal work done to address related issues to date. The challenge raised with the 2008 class included the following definition and roles:

**Challenge:** Development of a US-International air export program

**Roles:**

- EXCEL Participants will form 3 teams to work on different aspects of the project (TBD)
- Guided Practice Leader will guide the participants through the Strategic Business Challenge projects and apply learning at both live and virtual sessions.
- SBC Concierge will assist participants with project -specific administrative and research details
- SBC Executive Sponsors will provide executive insight to the teams from a FedEx perspective and serve on a review panel to hear recommendations
- Executive coaches will provide personal 1:1 coaching to participants to ensure they personally adopt the new learning

Once a draft design was developed for the program, the steering team conducted a “stakeholder analysis” through senior executive interviews to ensure the program concept was appropriately socialized within the operating companies and enough internal support existed to further pursue the program.

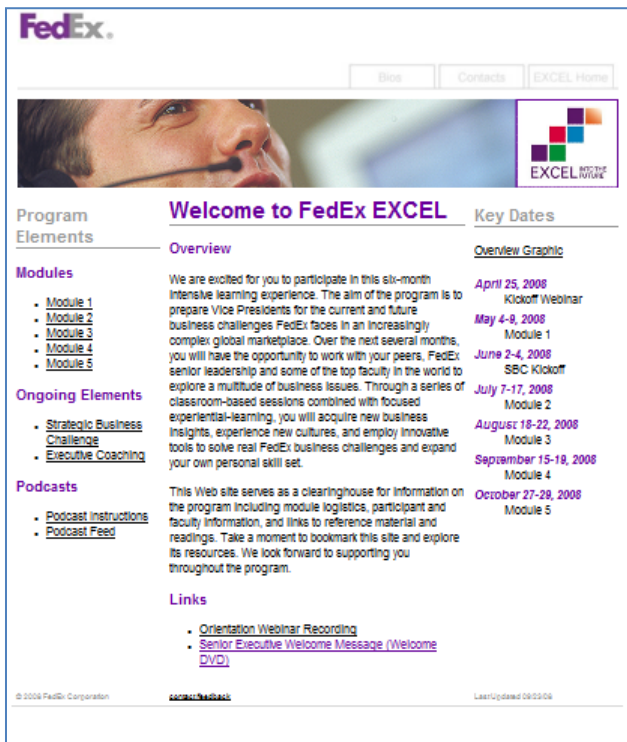
#### **Phase Four: Implemented the Program over a Sixth Month Period**

Even with the challenging economic climate of 2008, the senior executive team at FedEx saw enough value in the program plan to pursue implementation of the EXCEL program. The inaugural offering for the program launched in May of 2008 and included the following modules:

- Kick-Off and Program Orientation via a webinar with the vendor that covered the following:
  - Welcome!
  - Introductions (Included program staff, faculty, and participants)
  - EXCEL Program Overview

- EXCEL Component Overviews
- Welcome Kit Review
- Upcoming Travel (Los Angeles and China )
- Module 1 Pre-Work
- EXCEL Web Site Demonstration (See Figure 1.2)
- Contacts
- Next Steps
- Q & A

(Figure 1.2)



- Shifting to an Enterprise-Wide Strategic Focus
- Leveraging a Global Perspective
  - Participants traveled to China to learn about operations in Asia Pacific and apply learnings on the business, culture, government relations to their business challenge
- Building Talent Capability and Organizational Commitment
- Demonstrating Executive Presence
  - Participants worked with external coaches who helped them learn how to use their own experiences and sense of self to present themselves as authentic leaders who can tap into what athletes often refer to as the “zone” where players reach a sense of “peak performance”
- Transferring Learnings to the Job / Post-Graduation Assignment

A number of learnings surfaced during the program implementation which led to later enhancements. Since every OpCo already offered basic leadership principles programs, it was clear that the program had to be different from anything

currently offered internally. While the material had to challenge current ways of being and promote “out of the box” thinking, some of the most powerful learnings came from just having interactions with Officers from the other operating companies who rarely had the opportunity to interact. In addition to these learnings, based on reactions of participants and their willingness to engage, we learned that faculty ability to truly facilitate material (vs. lecture) had some of the greatest impact on whether or not participants valued content. Faculty with good content who could not facilitate well were not invited back. The right venue was also very important. Things like natural lighting and having more space than some facilities suggest as standard for the group size turned out to be very important. Participants could not focus appropriately if in a windowless room for too long or if they were crammed too closely together. In addition, we found that the most impactful components were the executive presence module (where participants experience a dramatic change from their first presentation in front of the group to their final presentation at the end of the module; see above on “how”) and the strategic business challenge (woven throughout modules). Appropriate placement of the strategic business challenge within the curriculum was also key. We learned that introducing the challenge too early in the program resulted in a great distraction to high potential participants who wanted to solve the challenge on day one. Participants learned content and models that they were immediately able to use such as value curves<sup>6</sup> for strategic decision making and influence mapping<sup>3</sup> for stakeholder analysis. We know from anecdotal feedback that the program changed the way many of the participants approached business challenges back on their “day job.” Participants were looking beyond the lens of just their business unit and instead thinking in enterprise terms. Some who had been already working together on cross-OpCo teams that had stalled were suddenly able to speed up progress on initiatives because of the bonds they formed through EXCEL. These newly formed bonds enabled cohort groups to collaborate in new ways across the enterprise and make use of a new, shared vocabulary that resulted from exposure to the same educational materials.

Throughout the program, faculty used case studies, simulation exercises, group discussions, action learning, senior executive leader presentations, and coaching as instruments/techniques to enhance learning. Success for the program was largely distinguished by finding the right faculty who could provide research supported content with the right facilitation style to ensure participant engagement. On top of this learning, we found a strong commitment among participants to find ways to ensure application of learnings and continue their “alumni” relationships post-program.

### **Phase Five: Included Opportunities to Reinforce Learning**

After the classroom experiences were complete, participants were able to take advantage of numerous opportunities to reinforce learning. During the program, participants engaged in one-on-one coaching sessions with external executive coaches. These coaches were briefed by the primary vendor who updated them on program content and encouraged participants to think about how they could apply learnings on the job as well as use the information they learned to develop for future positions/enhance their career development plans. In addition, the action learning component provided an outlet for using new terminology and models learned during the program as participants worked together to develop their presentation for the strategic business challenge. During the program wrap-up session, participants discussed how they would continue to stay connected and ensure a transfer of learnings post-program. Some commitments made included setting up follow-up calls to discuss progress on their strategic business challenge recommendations and involvement as an “alumni guide” for future offerings. A number of the graduates have also leveraged fellow alumni to visit with their teams during “lunch and learn” sessions to share information about the type of work being done in other parts of the enterprise. Annually following the program, alumni also have had an opportunity to participate in related continuing education opportunities where alumni “test out” new content for future offerings of the programs before that content is offered to current program participants, an arrangement that benefits

the program by allowing tweaks to be made to new content before it is officially in the program and enables alumni to get exposure to new program material while reconnecting with participants from past programs.

### **Phase Six: Used Evaluative Methods to Understand Program Impacts and Support Continuous Improvements**

Because the program represented a significant investment in both time commitments and cost, the Executive Development Team placed great emphasis on understanding program impacts after each of the six modules and post-program. This was done through gathering both quantitative and qualitative data to ensure needed changes could be made from module to module and ensure the participants were benefitting from the experience. Participants received a level one survey evaluation after each module to gather the data on component value, including:

- Usefulness/value of content
- Success in meeting learning objectives
- Effectiveness of facilitators

In addition, to the survey data, the executive development team liaisons (Learning and development professionals assigned to the Executive Development Team) set up meetings with their assigned participants in-between modules to further understand program feedback. The EXCEL Steering Team met bi-weekly during the program to determine any changes that needed to be made and plans for implementing the changes. Through the “between modules” meetings with participants, this team gathered information that led to changes in approach for future modules as well as changes to faculty being used. The team also collected anecdotal stories from others who knew participants, and there were positive reports about how participants who had previously worked together on enterprise teams where progress had been slow were suddenly making significant inroads on their project work. Collaboration improved and there was a visible effort among program participants to work together on a project that was not related to the EXCEL program. Also, the team heard comments from more senior leaders on the difference they were seeing in participants in the way they looked at the big picture on issues and approached challenges from an enterprise perspective. In addition to these individual impacts, the program also resulted in some broader organizational impacts. Information on the strategic business challenge recommendations was shared with the senior leadership team and components of the participants’ recommendation were adopted. This resulted in added momentum to business plans related to expansion of markets and shifts in organizational structures.

Looking back, many alumni have shared that it would be difficult to pull out one piece as the “most impactful.” Instead, they find a combination of different components that resonate individually though they are unanimous on the value of using classroom experiences to promote Officer level interaction across the operating companies. Whatever pieces each believes to be most valuable, their impacts are evidenced by the many alumni program advocates who continue to influence key stakeholders to invest in future offerings.