



## FEDEX: A TESTIMONIAL TO THE 7 HABITS

### Background

It's a business miracle that happens overnight—every night—and it all started on April 17, 1973, when Federal Express launched 14 small aircraft from Memphis International Airport. On that night, the company served a network of 25 U.S. cities and shipped a total of 186 packages.

Today the company of 148,000 employees serves 210 countries, 366 airports, and handles millions of packages and documents every business night. FedEx aircraft, which comprise the world's largest all-cargo fleet, have a combined lift capacity of more than 20.6 million pounds daily. In a 24-hour period, FedEx planes travel nearly one-half million miles. FedEx couriers log 2.5 million miles a day, the equivalent of 100 trips around the earth.

The only constant in the high-velocity world of express shipping is change. FedEx and its competitors wage a nonstop battle to offer custom-

ers more delivery options, at lower cost, and with greater convenience and reliability. And the boom in e-business, home shopping networks, mail-order catalogs, and just-in-time distribution of parts, components, and other supplies for manufacturing has created exciting new opportunities for FedEx. No longer just an overnight-package shipper, FedEx is a full-service logistics provider, orchestrating the flow of goods and information between customers, retailers, and suppliers.

Fueling the company's growth and success has been the development of strategic information systems that enable FedEx to provide superior service to its customers. The FedEx Information Technology Division (ITD), employing approximately 5,500 people, supports all computer-based functions of the company, including all customer computer use, such as ordering FedEx services and tracking package-delivery status.

## The Role of FranklinCovey at FedEx

Sharon Sirrell, a senior development-support analyst, is also a certified facilitator of *The 7 Habits of Highly Effective People* training, used extensively within ITD. She says the *7 Habits* training for managers and computer programmers, systems analysts, and other professionals has helped the division proactively embrace the ever-changing technology environment rather than merely react to it. "Technology is constantly evolving, and we must be able to deliver the latest technology that will improve the efficiency of our delivery services. The *7 Habits* training gives our people greater capacity to deal with rapid change and to be proactive in harnessing technological advances." Sirrell, who started out as a volunteer facilitator within ITD in 1993 teaching the *7 Habits* once a quarter, says benefits of the training extend to improved communication among individuals and interdependent teams as well as to strengthened human relationships.

"The nature of our business means we have a lot of interdependencies," she says. "We support information-system functions throughout the organization as well as for a growing number of manufacturers and retailers." She explains that Federal Express is no longer just a delivery service but a linchpin of customer operations. Businesses are able to complete entire shipping transactions from their desktop computers, call for courier pick-ups via modem, and trace the status of their shipment at all possible locations along the delivery route through the use of on-premises FedEx PowerShip terminals or the FedEx home page on the World Wide Web.

"Our work is all very interrelated with other FedEx divisions and customers," Sirrell says. "The *7 Habits* principles help us listen, synergize, and arrive at creative solutions to answer the needs of customers and internal clients. The training really meshes well with what we're about as a company and what we're trying to achieve." Sirrell adds that

both managers and information-system professionals continue to fill *7 Habits* training classes. ITD has even opened up the training to FedEx employees in other divisions.

Other FranklinCovey training programs offered through ITD include *What Matters Most* (now *FOCUS: Achieve Your Highest Priorities*), *Rethinking Stress*, and *Power of Understanding*. FranklinCovey productivity consultants were occasionally asked to address large gatherings of FedEx employees at the company's World Technology Center auditorium near Memphis, Tennessee.

Sirrell is convinced that investing in these FranklinCovey programs makes an impact on employees' ability to meet customer needs and improve results. "*What Matters Most* training and use of the Franklin Planner help our employees stay focused on key tasks and priorities, reduce stress levels, and improve productivity. Employees have a clearer view of themselves, and how they approach their careers, their performance, and their relationships on and off the job."

## FedEx University and the *7 Habits*

Sirrell's training sentiments are echoed in other areas of the company, such as the Leadership Institute, an in-house educational "university" for management. Its mission supports the FedEx philosophy of "People-Service-Profit." In other words, as FedEx cares for and provides resources for its people, they in turn deliver the impeccable service that customers demand, which then produces profits that are reinvested in the people.

Anyone who enters a FedEx management position attends the Leadership Institute. The Institute challenges leaders to think critically and deeply about issues that do not always have easy answers, specifically as they relate to leading people. This type of education addresses the need for strong leadership that builds trust based on the dignity and respect of every person working at or with FedEx (employees, customers, vendors, stockholders, etc.).

The institute seeks out “management preceptors”—senior managers and managing directors who are recognized as outstanding leaders. Upon joining the Leadership Institute for a tenure of 24 to 30 months, preceptors develop and facilitate courses offered to members of FedEx management. This approach not only allows managers to learn from those who have excelled, but provides the preceptors the chance to immerse themselves in leadership and management principles.

At the end of their Leadership Institute assignment, preceptors move back into the mainstream of management with fresh perspectives and a solid foundation for expanding their leadership responsibilities. The complement of men and women rotating through the institute as preceptors is the most critical factor in the institute’s success.

According to Thonda Barnes, Leadership Institute Advisor, the *7 Habits* is the only course the Leadership Institute offers that has been developed outside the company. “We offer an open-enrollment *7 Habits* course every month (except December) and conduct several dedicated classes throughout the year for intact work teams.”

She continues, “The reason we chose to offer *7 Habits* training is because the leadership philosophy of FedEx and the *7 Habits* material are so aligned. The foundational principle we both share is that leadership is an inside-out approach; that you can only lead other people if you are first able to lead yourself. We have enhanced the *7 Habits* material by making it FedEx-specific where possible, but the core and integrity of the course remain the same.”

Barnes says the Leadership Institute has offered the course for over four years, and it continues to generate high approval from participants. “At FedEx, we consider the *7 Habits* course an investment in the whole person because we care deeply about our people and believe that the more we can



do to develop someone’s individual effectiveness, the more it will improve our effectiveness as an organization.”

She concludes, “One of the greatest benefits of *7 Habits* training is that leaders see it as a tangible demonstration of the company’s concern for them as individuals and not just as employees. It reinforces the FedEx core belief in the value and dignity of every human being and the leadership responsibility of each FedEx manager to model those beliefs in everyday actions.”

### Testimonials

David Gagnon, senior manager, management preceptor, is among those exemplary FedEx leaders who facilitate the *7 Habits* training across the world. “We’ve taken this course to Brussels, to Hong Kong, to Dubai, to Latin America and discovered that the principles hold true. Participants, wherever they are located, find the material insightful and renewing.”

He continues, “One of the most useful applications I have seen at FedEx is the way the *7 Habits* language establishes a shared meaning for dialogue

when leaders are faced with operational problems. Phrases like ‘Think Win-Win’ and ‘deposits/withdrawals’ weave themselves into the FedEx culture as leaders and their teams work through operational issues.” Gagnon says he’s witnessed a greater win-win attitude among employees in working across divisional lines to improve service and increase profits.

Another preceptor, Marco Chan, joined the Leadership Institute after an assignment in China as managing director. He cites another benefit resulting from applying Habit 5: Seek First to Understand, Then to Be Understood. By understanding the power of Empathic Listening, managers are much better at listening to employee and customer concerns, and strengthening the relationships by building trust.”

But the most significant benefit for Chan has been on a personal level—in the area of life balance. Believing that leadership is an extension of one’s self, Chan has applied the concepts and processes of the *7 Habits* in his own life, which has resulted in a better understanding of his own values and how they enable him to become a transition person. He describes it as an “intrinsic calm” that allows him to be a more effective employee, friend, family member, and leader.

“That’s what leadership is all about,” says Chan, “walking the talk, modeling the way. My purpose in life is to be a person like ‘Stone’ (an individual featured in one of the *7 Habits* videos), who is a transition figure for others to help them grow and develop.”

And a transition person he is. Chan has been instrumental in several initiatives in the company that focus on developing future leaders, such as the Asian Leadership Forum. “If we can help our employees conquer those Private Victories, it will build self-esteem and confidence. Then they will

be able to remain calm and think clearly in the middle of the incredibly fast FedEx pace where we are dealing with changes by the second.”

Throughout its existence, Federal Express has led the industry in introducing new services to help customers improve their business performance. As technology changes, and as the manufacturing and retailing demand for comprehensive logistics services grows, FedEx hopes to be there, embracing change and providing services with excellence. ■