

“FedEx Net® is one of the most comprehensive ‘Enterprise Nervous Systems’ I ever had the opportunity of looking at. It is a living example of how application integration is not a ‘bug’ to fix but a real business enabler.”

— MASSIMO PEZZINI
VP RESEARCH AT
GARTNER GROUP



FedEx® Speeds Ahead to Transport Industry Success

GXS’s Enterprise Gateway Provides FedEx With a Robust Messaging Backbone and Enhances Customer Service

Corporate Profile

Premier Global Transportation Provider

With annual revenues of US \$33.5 billion, FedEx Corp. is the premier global provider of transportation, e-commerce and supply chain management services. The company offers integrated business solutions through a network of subsidiaries operating independently, including FedEx Express, the world’s largest express transportation company; FedEx Ground, North America’s second largest provider of small-package ground delivery service; FedEx Freight, a leading provider of regional less-than-truckload freight services; FedEx Custom Critical, the world’s largest provider of expedited, time-critical shipments; and FedEx Trade Networks, a provider of customs brokerage, consulting, information technology and trade facilitation solutions.

The Business Challenge

One Gateway for All Transactions

FedEx companies support more than 100 million electronic transactions and deliver nearly 7.5 million shipments every day. FedEx had been trading with customers electronically for more than a decade, but it was becoming increasingly complex since customers were connecting with different parts of the FedEx organization using various routes and protocols.

To manage the growing electronic traffic, FedEx wanted to provide a single gateway to support all e-commerce transactions, regardless of the protocol used. The company decided to develop an integrated messaging solution to easily link customers with its subsidiaries and to process the increasing number of business transactions in near real time. This solution had to require as little effort as possible from the integrating party.

The Solution

GXS’s Enterprise Gateway Gets the Message Across

FedEx chose GXS’s integration technology, Enterprise Gateway, to develop FedEx Net. FedEx Net is an enterprise application integration (EAI) solution that manages and translates the various types of messaging used across internal applications and between FedEx’s business partners.

Enterprise Gateway enables data exchange between computers of any platform at any time using any communication protocol. It connects trading partners, customers and vendors with near real-time, event-driven and interactive communication capabilities. Servers in

different locations act as one integration and communication system. It intelligently routes data in near real time, separates the message from its protocol, transforms the data format to suit the recipient and routes the message to its destination.

FedEx Net processes more than 4.5 million business transactions per day and provides extensive professional data services to more than 5,000 global trading partners. It provides functionality such as business document process flow, data transformation, compression and encryption. FedEx Net also sends more than 140,000 e-mails per day on average in support of Internet shipping, alerting the recipients to arriving shipments.

FedEx Net offers its customers a single interface with the company, no matter how many of its subsidiaries are involved in a process or transaction. For example, customers can receive Express and Ground tracking and invoice data as well as send in a combined remittance advice.

Massimo Pezzini, VP Research at Gartner Group, comments, "FedEx Net is one of the most comprehensive 'Enterprise Nervous Systems' I ever had the opportunity of looking at. It is a living example of how application integration is not a 'bug' to fix but a real business enabler."

Results

Major Savings, Enhanced Customer Service

Thousands of customers and vendors use FedEx Net to connect to FedEx using the Internet, leased lines and value added networks (VANs) for the electronic exchange of business documents covering shipping, tracking, invoicing and remittance. Major customers, such as Dell, use the network to advise FedEx of thousands of shipments a day and to integrate FedEx shipment tracking into their own customer service applications.

Since its implementation in 1996, FedEx has been able to save more than US \$50 million by bringing in-house functions previously performed by third-party VANs.

GXS and FedEx won the 2001 eAI Journal Best e-Business Solution Award for building FedEx Net.

As the organization's communications backbone, FedEx Net has streamlined supply chain transactions between FedEx and its suppliers and customers. It is helping FedEx customers reduce inventory levels, shorten payment cycles, enhance customer service and loyalty, and deliver near real-time information.



About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organizations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.com.

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