



Quality Improvement Business Review

Achieving Last To Clear Reduction Using
Shipment Movement Scan Time

AGENDA

- Executive Summary
- Opportunity Statement
- Team Engagement
- QAT Charter
- Assess
- Build
- Launch
- Evaluate
- Cost Savings



Executive Summary

Opportunity for the QAT	Improving our customers' experience by reducing damaged deliveries, highlighting opportunities with Last to Clear data
Root Cause Analysis Used	Last to Clear “Fish Finder” damaged delivery exception data was used to determine root causes at the top exception-charged locations
Solution Developed and Implemented	We utilized time-specific data to isolate opportunities and partnered with operations teams to adjust freight handling practices

After 90 days, the SOEA has seen a 42.2% improvement in Last to Clear charge reduction during peak exception time periods



Opportunity Statement

Identify peak times when freight damage occurs, in order to couple work method coaching with operational adjustments to reduce overall damaged delivery exceptions

Current State

SOEA Region top Last to Clear locations are at a 22.7 average daily charge rate

Impact of Problem

Dissatisfied customers
Potential loss of business and revenue
Loss of dock productivity

Desired State

20% improvement for an 18.9 average daily Last to Clear charge rate



Team Engagement: Subject Matter Experts

**Sean Pierce &
Brian Kruzan**
Work Methods



Mike Benzy:
Data Interpretation
Excel

**Ross Holcomb &
Mike Jones:**
QDM Principles

**Michelle Blake &
Dawn Cox:**
Dock Education



QAT Charter

Business Reason:

This project supports the FedEx Customer Loyalty Initiative as well as the Chairman's Loss and Damage Reduction challenge.

Opportunity Statement: Identify peak times when freight damage occurs, in order to couple work method coaching with operational adjustments to reduce overall damaged delivery exceptions

Current State: SOEA Region top LTC locations are at a 22.7 average daily LTC charge rate

Impact of Problem: Dissatisfied customers, Potential loss of business and revenue, Loss of dock productivity

Desired State: 20% improvement for an 18.9 average daily Last to Clear charge rate

Project Scope:

At point of shipment pick up to point of shipment delivery

Project Plan:

Phase	Start Date	End Date
Assess	11/01/2013	11/08/2013
Build	11/11/2013	11/15/2013
Launch	11/18/2013	12/07/2013
Evaluate	12/09/2013	02/15/2014

Team Roster:

Sponsor: Chris Reynolds

Facilitators: Ross Holcomb, Mike Benzy, Michael Jones

Team Members (with employee numbers):

Ross Holcomb: 1455594

Michael Jones: 2093376

Mike Benzy: 1456756

Michelle Blake: 1512790

Dawn Cox: 1513058

Brian Kruzan: 1611970

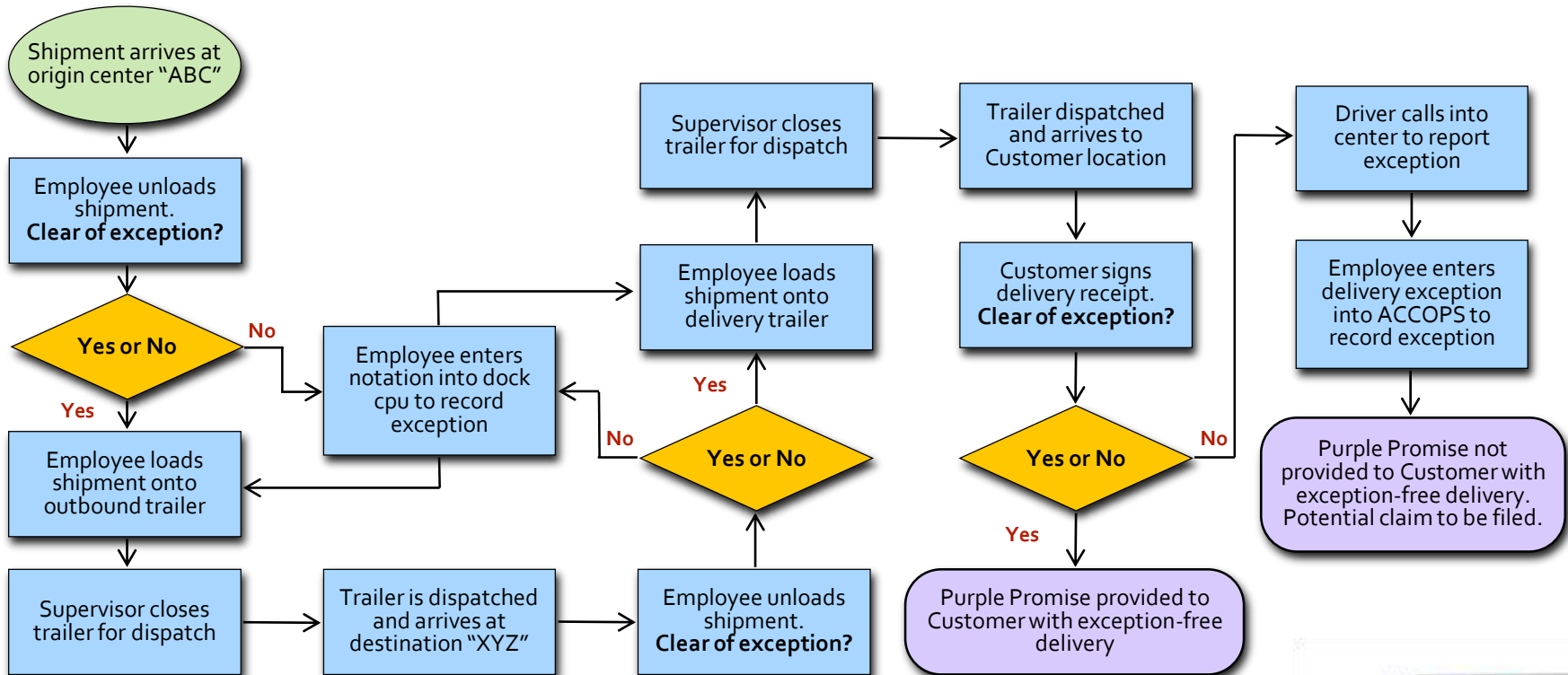
Sean Pierce: 1456862



Assess: Understanding the Customer Experience

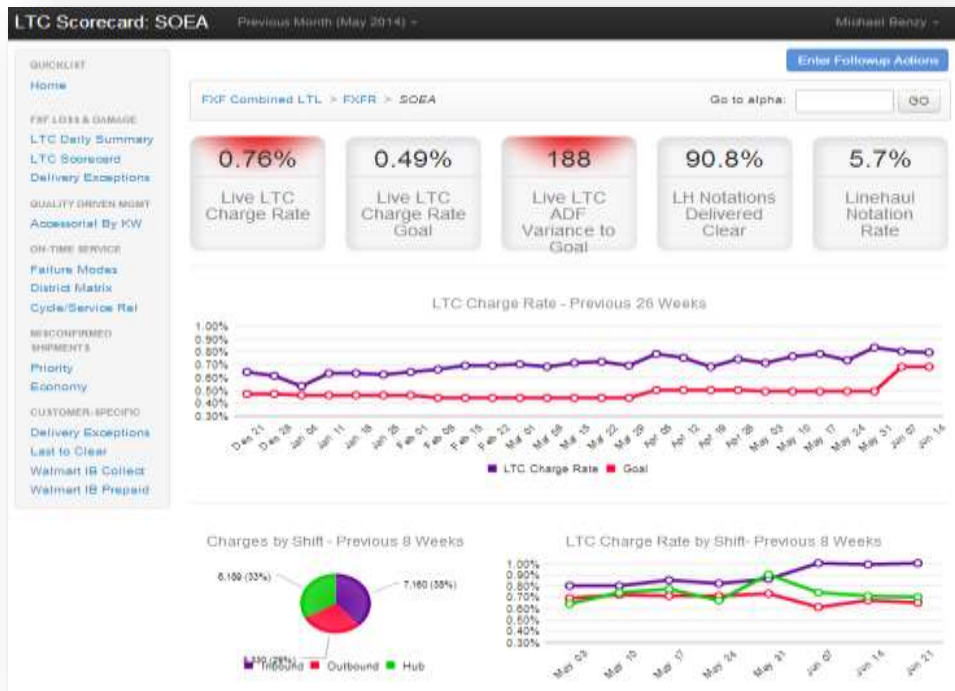
Last to Clear:

A term used for a delivery exception reporting system designed to identify the last location/employee to load or unload a shipment free of exception (over/short /damaged)



Assess: Current Common Process

The LTC Scorecard is the current tool used to attempt to reduce damaged delivery exceptions:



- **No center pro-level detail**
Exception detail for top charged employees, not an entire center
- **No time stamp**
No way to tell when our exceptions are happening
- **Broad approach**
Graphs show trends over time, but do not highlight actual opportunities



Assess: Desired Common Process

A tool is needed that gives us more precise information than the current LTC Scorecard:



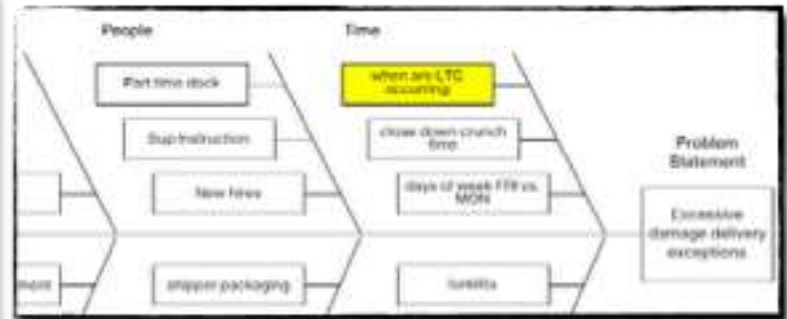
- **Control over pro-level detail**
Allow data manipulation of exception detail for the Service Center, District, & Regional level
- **Time stamp detail**
Ability to identify when most charges are happening to isolate problem times to maximize effectiveness
- **Narrow approach**
Graphs that give a clear visual as to exactly when certain events need the most attention



Build: Root Cause Analysis

Methods utilized to assist us in determining root causes:

- Lack of observation during the loading process by the supervisor
- Availability and use of beams, boards and dunnage
- Proper work methods
- Late Cycle
- Experience level of dock workers
- Proper education for loading
- Accountability for Supervisor closing the trailer
- Accountability for dock worker
- Current data available does not identify, pin point where and when the work method failure occurs
- Last to Clear Scorecard does not drill down to specific opportunity



- Fishbone diagram
- Group brainstorming

Through our root cause and multi-voting, “time” was identified



Build: Desired Common Process

- **Develop an alternative**

The LTC Scorecard in its' present form gives broad-scale direction to operations leadership. However, it does not narrow visibility into the data to address the root cause.

- **Streamline data**

Highlight spikes in time-specific graphs so analyst time is spent more wisely.

- **Create consistent approach**

Job aid documents to be written as a guide for teams to follow so the approaches remain consistent.

- **Work identified locations**

Observe work method and freight handling practices during the peak exception times to determine where education opportunities occur.

- **Partner with Leadership**

Share outcome of observations and education opportunities with local Leadership to improve the coaching quality of our front line Supervisors with their hourly employees.



Build: Fish Finder LTC Data by Hour

Multiple filters to streamline data to show exactly what is desired

Totals by hour are able to be converted to pro-level detail and exported



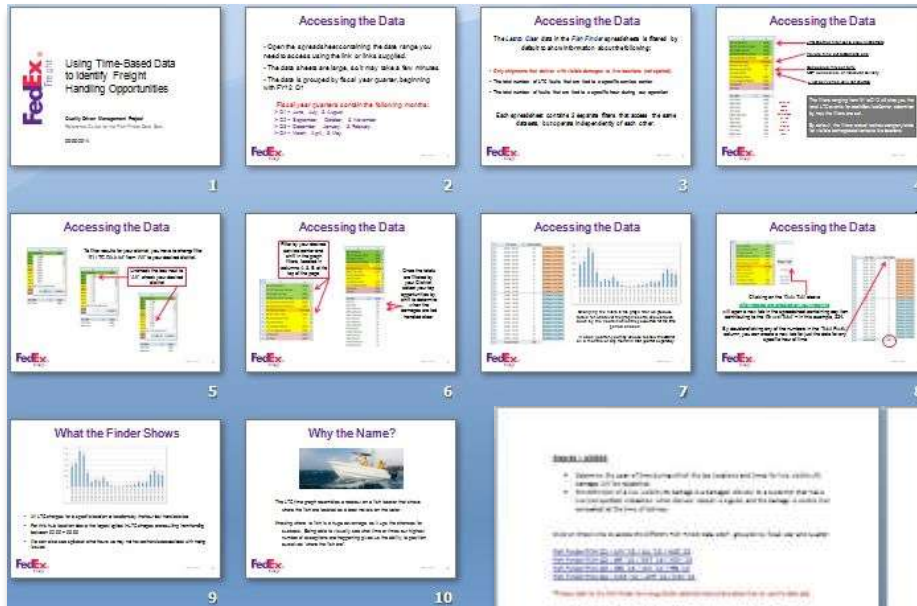
Filtered data is presented in graph form to visually see totals by hour

Service Center totals are listed, highlighting top opportunity locations based on filtered data

The Fish Finder report gives us precise data in a visual format not possible with the LTC Scorecard

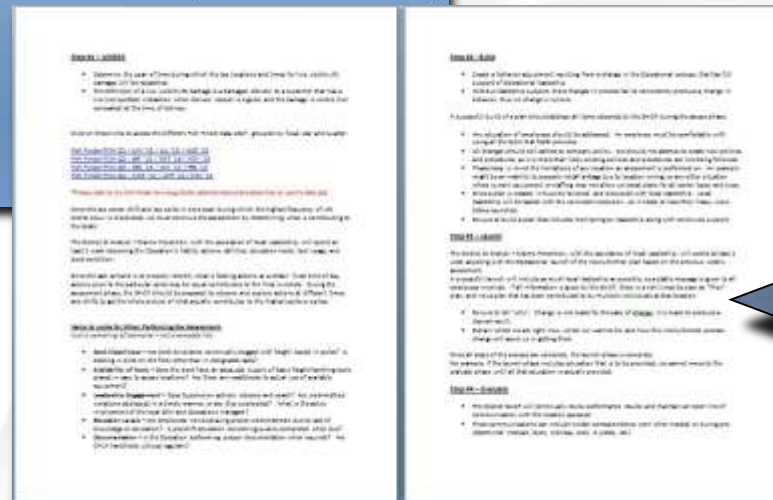


Launch: Job Aides



Data Access Job Aid

Instructional Process Job Aid



Launch: Solution

- **Sr Analysts-Claims Prevention...**
will utilize the Fish Finder tool and job aids to highlight areas with the largest opportunity by location, shift, and the time of day
- **Define...**
top peak times by when most LTC charged exception shipments are handled using a time-specific drilled-down approach.
- **Reduce...**
top location Last to Clear charge rates through work method coaching and education.
- **Local Operations teams...**
will meet with the Sr Analyst-Claims Prevention at each target location to review data, suggest a different approach, & ask for support and assistance.
- **Operations Leadership teams should include (when applicable):**
MD of Operations, Manager-Service Center, Assistant Manager-Service Center, Operations Manager, Operations Supervisor



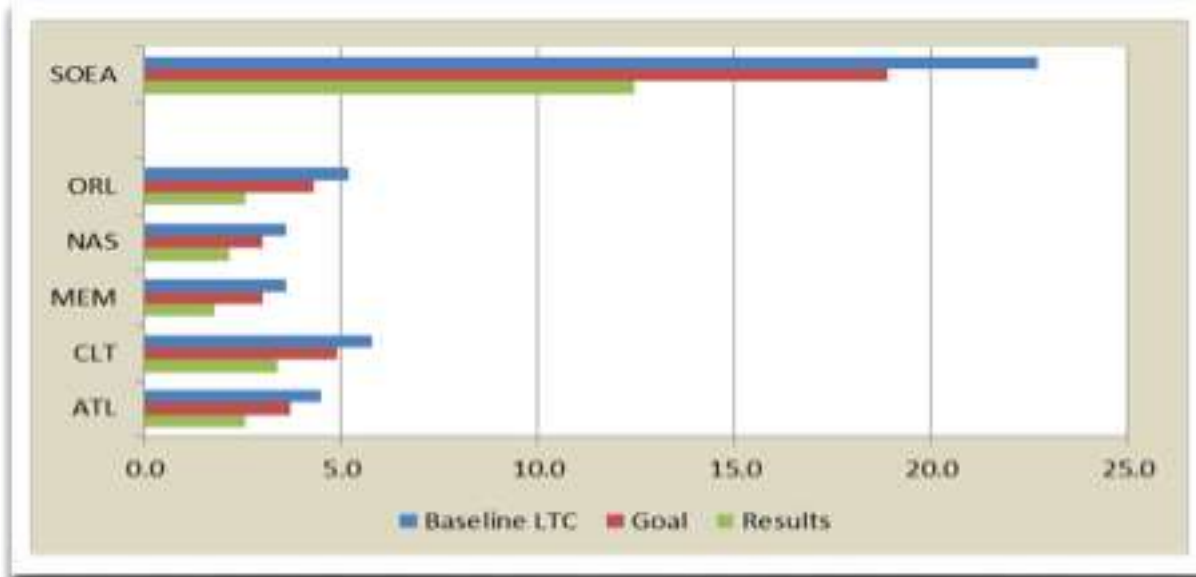
Launch: Improvement Measurement

LTC Exception Goal: Last to Clear charges per day in target peak times will be used to measure success

DISTRICT	LOCATION	PEAK-TIME TARGET	BASELINE AUG-OCT	GOAL (20% REDUCTION)
AT	ATL	01:00-04:00	4.5	3.7
CL	CLT	00:01-04:00	5.8	4.9
ME	MEM	19:00-22:00	3.6	3.0
NA	NAS	01:00-04:00	3.6	3.0
OR	ORL	00:01-04:00	5.2	4.3
SOEA			22.7	18.9



Evaluate: Results Reporting - Average LTC Charges per Day



SC	Baseline LTC	Goal	Results	Improvement
ATL	4.5	3.7	2.6	39.6%
CLT	5.8	4.9	3.4	39.6%
MEM	3.6	3.0	1.8	47.5%
NAS	3.6	3.0	2.2	33.8%
ORL	5.2	4.3	2.6	49.0%
SOEA	22.7	12.5	12.5	42.2%



Evaluate: Results Reporting - Average LTC Charges per Day

	Level	Baseline LTC	Results	Improvement
DISTRICT	AT	47.9	37.6	21.4%
	CL	54.2	39.2	27.7%
	ME	44.4	34.6	22.1%
	NA	37.3	30.1	19.5%
	OR	55.4	39.2	29.2%
REGION	SOEA	239.1	180.7	24.4%
	MIWE	277.6	216.1	22.1%
	NOEA	216.0	163.8	24.2%
	NOWE	187.6	140.4	25.1%
	SOWE	173.4	129.8	25.2%
	FXFR	1107.6	842.4	23.9%

	SC	Baseline LTC	Results	Improvement
DEFINED PEAK TIMES	ATL	4.5	2.6	39.6%
	CLT	5.8	3.4	39.6%
	MEM	3.6	1.8	47.5%
	NAS	3.6	2.2	33.8%
	ORL	5.2	2.6	49.0%
	SOEA	22.7	12.5	42.2%

The defined peak time daily LTC charges at each location improved at a greater rate compared to the district, region and company level during the launch and evaluate stages.



Evaluate: Results Reporting

Reporting outline for SOEA LTC reduction (13 weeks post launch):

Process to Measure

LTC failures charged per day during defined peak time periods

Expected Results

All-up LTC charges per day improvement in the SOEA Region by 20% (22.7 to 18.9)

Actual Results

SOEA LTC charges per day improved by 42.2% or a 12.5 LTC charges per day

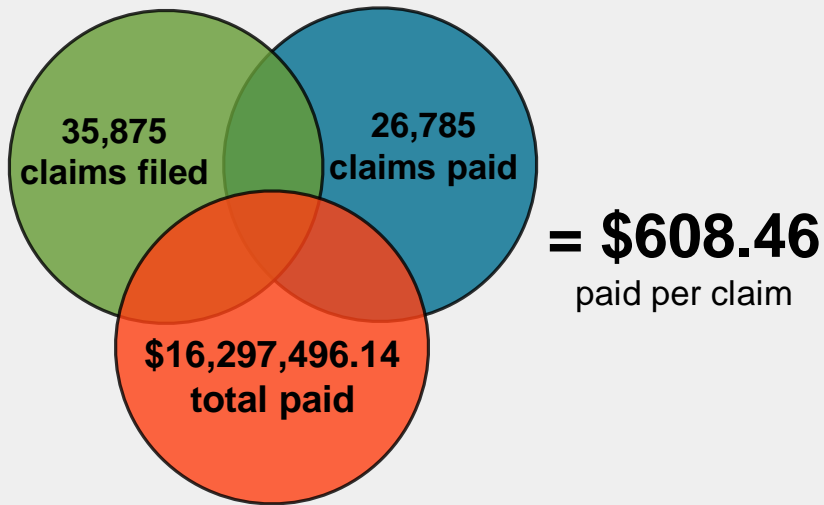
Review Date

02/15/2014



Cost Savings

During our Assess period
(AUG, SEP, OCT 2013):



28.30% of all LTC charges ended with a claim **filed**

21.13% of all LTC charges equates to a claim **paid**

Based on our 42.2% improvement:

If each center employed the same educational focus through all facets of their operation, this has the potential to improve baseline-period data by 11,303 claims paid, which would be a potential quarterly dollar savings of

\$6,877,587.66

