

Quality improvement toolkit



FedEx has always believed quality is the magic ingredient that can help you work smarter and keep getting better.

In 1990, we were the first service company to win the Malcolm Baldrige National Quality Award. And in 2008, we developed our own groundbreaking quality program: Quality Driven Management, or QDM.

Since then, we've used it to engage team members worldwide, generate significant cost savings, boost revenue and continuously improve processes.

This toolkit gives you a quick introduction to some of the key ideas and top tools of QDM.

We hope you'll find they give you a new way of looking at problems, a new set of methods for identifying ways to improve, and a mindset that will help you and your team develop game-changing innovations.

And now, we want to offer you the chance to win with quality, the FedEx way.

Use this guide to see what quality improvement can do for your FedEx Authorized ShipCenter® (FASC):

- Make your customers happy.
- Save time and effort.
- Get everyone involved in quality.
- Generate more revenue from repeat customers.

Let's get started!

The foundation: QDM Principles

These six ideas set the tone for quality. They can guide you and your staff to a new way of thinking so you can work smarter and achieve more.



Customers define quality

Listen carefully to our customers. Are they satisfied? What do they want us to improve? Identify what matters most to them and make it our main priority.



Be scientific

Rely on facts and data, not guesswork, to find solutions. When you want to improve something, make sure you have enough data to really understand and address it.



Measure, measure, measure

Assess regularly to ensure your efforts are working. Track data such as customer surveys, website visits, online ratings, referrals and repeat purchases.



Optimize business performance

Cut wasted time, effort and resources (waiting, busy work, extra inventory, fixing errors). Look for recurring mistakes. Seek staff input on ways to simplify.



Quality involves teamwork

The best ideas often come from those who do the work every day. No matter how big or small your team is, develop ideas and solutions together. Make sure everyone has a role to play.



View failures as opportunities

Learn to see failure as a chance to change things for the better. Make sure no one's afraid to speak up if they see a problem. Be open about issues, and forgive mistakes.

Example

An everyday example of the Principles in action: Say you notice poor flow of foot traffic in your store or that staff spend a lot of time transporting supplies from the back. That's OK — failures are opportunities. To fix them, be scientific: Where else could that display go? Can you rearrange your workspace? Check each idea against the Principles: Will it improve quality for the customer? Does your team agree it's a good idea? Will it optimize processes? Can you measure success to prove that?

The process: ABLE

ABLE is a four-step approach to tackle challenges, big or small.

Now that you know the Principles, you're ready to start using QDM. The **ABLE** process makes it easy.

ABLE (Assess, Build, Launch, Evaluate) is very flexible. It can be used by individuals and teams, for projects of all sizes, to tackle any kind of quality improvement challenge. Go through it once or repeat the process until you've gotten to where you want to be.



① Assess

The **Assess** phase is where you look for ideas and decide what path you're going to take. There are three basic steps:

Identify opportunities. How could you improve customer satisfaction or profits?

Focus. Which idea has the most potential to improve quality in the eyes of your customers? Tackle it first.

Commit to the next steps. Meet with your team or set aside time for yourself to work on it. Set target dates for hitting milestones.

② Build

The **Build** phase involves three important steps.

Analyze the issue you want to fix. Find the root cause of the problem.

Build a solution. Work from the negative ("here's the root cause") to the positive ("what should we do about it?"). If possible, test your solution on a small scale first.

Do a gut check. Before you launch your solution, confirm it makes sense for the business. If so, you're ready to launch.

③ Launch

A successful **Launch** is all about thorough planning.

Make a plan. Spell out the steps and when they will happen. Train your team to do what they need to do.

Decide how to evaluate. You need to be able to measure whether your idea is working. What data and feedback will you need?

Launch your solution. Now, it's time to take action! Good luck!

④ Evaluate

The **Evaluate** phase is vital for seeing if your effort is paying off.

Measure your progress. Use the data or feedback you collected to evaluate whether you're getting the desired results and whether the improvement is worth the cost.

Refine if needed. If you haven't met your goals or solved the problem, just restart the ABLE process and use what you learned to try again.

Reward and recognize. Don't forget to celebrate success!

The tools: Top 5 quality hacks

QDM contains lots of tools to help you tackle any part of a quality problem. Here are five of the most versatile tools.

① Opportunity statement

This tool helps you define an issue — and explain it to your staff. Use it to clearly lay out the problem.

Example

You're not seeing many add-on purchases from customers that come in to drop off packages. Use an opportunity statement to define the problem and its impact on your business.

② Five whys

This is a way to uncover the real issue. Ask “why?” and then, with each answer, ask “why?” again until you find the root problem.

Example

Your team is having trouble keeping up with customer emails. With the five whys, the initial source of the problem turns out to be a symptom of a deeper root cause.

③ VOC translation

This is a way to turn “voice of the customer” (VOC) feedback into things you can improve and measure.

Example

You want to understand what customers expect when they shop at your store. When they give feedback, use VOC translation to come up with areas of improvement and ways to measure each area.

Current state	In the last six months, only 5% of dropoff customers bought something during their visit.
Impact	<ul style="list-style-type: none"> Lots of foot traffic with little revenue Repeat business lost due to customers not seeing breadth of products offered Stock on the shelves not moving
Desired state	<ul style="list-style-type: none"> 50% of dropoff customers make an add-on purchase Customers see us as more than a drop box Able to expand retail products offered

Problem	Customer support having trouble
Why?	High email volume and repeat senders — customers often email a second time.
Why?	New employees take a long time with each response.
Why?	There's a long learning curve.
Why?	There are many types of customer inquiries, and new hires have to learn how to answer each one.
Why?	There are no standard responses documented for them to use.

What the customer says they like (or don't)	What that means we need to deliver	How we can measure success
Helpful	Knowledgeable staff	<ul style="list-style-type: none"> # of complaints Customer surveys
Store looks good	Store cleanliness	Inspect weekly : <ul style="list-style-type: none"> Clean bathroom Clean aisles Uncluttered countertops
Fast service	Low wait times	<ul style="list-style-type: none"> # of customers served on busy days # of complaints

The tools: Top 5 quality hacks, cont.

④ Waste walk

It's hard to improve when you don't know what actually occurs. Take a tour — go out and observe a real or virtual process step by step as it actually happens, looking for unnecessary steps or wasted resources.

Example

You want to identify areas of waste in your print center. You look at inventory, check records and observe employees in action.

Process	Type of waste	Comments	Improvement ideas
Booklet production	Overproduction	100 extra copies produced	Reduce over-runs
	Inventory	Extra inventory kept in case of rush jobs	Balance inventory and customer expectations
E-commerce job production	Motion	Coordinator constantly running between steps to ensure completion	Improve floor layout and job workflow
	Corrections	Image errors	Advanced inspection of equipment; review proofs before printing

⑤ Cost-benefit analysis

Before you fully launch your solution, it's best to test it on a small scale and gather data to see whether it benefits you financially.

Not everything can be tested this way, but if you can measure both the cost of the solution and the financial benefit to your business, you'll know whether it's worth going ahead with a full-scale implementation.

Example

You think gaps in employee knowledge could be a cause of customer complaints. You put a small group through an industry training course or trade show and gather data on whether it reduces complaints about those employees' service. Then you calculate whether the benefit of fewer refunds and discounts makes up for the cost of training.

Cost-benefit of additional training	
Benefit	Savings from reduced errors by pilot group
Cost	Cost of training pilot group
Benefit	\$1,500
Cost	\$1,000
Benefit to cost: 1.5 to 1	
Result: The profit saved by more-knowledgeable employees will more than pay for the training courses.	

Putting it all together

Here's how QDM Principles, the ABLE process and the QDM tools might help with a problem.

The paperwork trap

An FASC owner was stretched thin, and he always felt stressed about paperwork.

Using the QDM Principles **Be scientific** and **Measure, measure, measure**, he calculated the time he took on paperwork. To his shock, he spent over a third of his waking hours on it — which took him away from the sales floor during the day and his family at night. So he began the ABLE process.

Assess. He did a **waste walk** through his paperwork activities for a week and identified which took the most time.

Build. Using **five whys**, he found the root cause: He used different programs to manage inventory, payroll and accounting. The owner researched and found one software solution that could handle them all.

Launch. Since **Quality involves teamwork**, he got his staff to help switch everything to the new system.

Evaluate. He tracked his time again and found that he'd shaved several hours a week from his paperwork duties, reducing stress and giving him more time for other priorities.



Learn more about QDM

Want to see real-life examples of QDM in action?

Go to **fedex.com/qdm** to read success stories of FedEx teams who made a difference with QDM.

Best of luck putting QDM to work for your FASC!

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