

MKTG 3010: Critical Thinking Skills: FedEx Office Exercise

I. The purpose of this exercise is to help you develop and understand your empirical and quantitative skills, your critical thinking skills, and your business writing skills.

To those ends, aspects of the exercise tap your abilities in the following areas:

1. Your ability to *discern relevant facts* or data.
2. Your ability to *evaluate (process, synthesize, or manipulate) relevant facts* or data.
3. Your ability to *deduce conclusions (interpret) or contextual information* from relevant facts or data.
4. Your ability to *identify a primary problem or need* from a situation or set of information.
5. Your ability to *interpret data, needs, problems, and parameters* associated with a situation.
6. Your ability to *elucidate assumptions you make* as well as to identify contextual characteristics and limitations associated with the data you used to evaluate the situation.
7. Your ability to construct a presentation that advocates a solution to a key problem or need.
8. Your ability to project the implications of your suggested solution—its effects on parties involved over the long run.

II. How the FedEx Office Exercise works: Read the case study carefully before you begin this exercise.

You will be given a case to read. The case will specify your role; who your client is; and contain data as to the situation your client faces. Be sure to read through the exercise carefully—taking as much time as you believe is necessary. Then you will be asked to ferret out what seem to be the relevant facts or data from the description of the situation. Drawing from the facts you have selected, you will be asked to specify problems those facts or situational items pose to your client, its employees, or to your client's customers. Taking into account the facts or situational parameters you selected and the problems you have deduced from those facts or situational parameters, you will estimate implications or conclusions associated with the problems the client presently faces.

After completing the FedEx Office exercise, you will be using your analysis to prepare your SPIN questions for the upcoming sales call role play.

Do not create SPIN questions for this exercise. *You will be creating these questions after the case study analysis has been completed and you begin preparation for the FedEx Office sales call role play.*

Remember - it is not enough to just identify facts, problems, implication, solutions and benefits, you must analyze them in detail.

1. **Relevant facts** - specify all of the *relevant* facts associated with the situation as outlined in the case study. Include facts for *both* the seller (FedEx Office) and the buyer (ProTrain).

The first part of your exercise, related above, is to help you develop your skills in evaluating a situation faced by another. It corresponds to abilities one through five listed above. You will specify the relevant data associated with the situation. As you determine the relevancy of the data, start to evaluate the impact of the data or situational parameters on parties involved and consider the potential outcomes of the problems on the parties involved (client, client's employees, customers, and others).

3. **Analyze problems** - identify and completely analyze *a minimum of four problems* that the seller can solve.
4. **Implications of the problems** - specify and completely analyze *a minimum of four implications* related to the four problems.
5. **Potential seller solutions to the buyer's problems** - present and explain in detail with supporting FedEx Office features *a minimum of four solutions* that the seller can offer to solve the buyer's problems.
6. **Benefits of the potential solutions** - Identify and explain in detail *a minimum of four benefits* that the buyer will experience as a result of implementing the seller's solutions.
7. **Assumptions** - list any assumptions.

The second part of your exercise is intended to help you develop your ability to amass, consolidate, and present a solution to a complex set of problems or situation. It relates to abilities six through eight listed above. Using the data gleaned from the exercise, you will develop potential solutions to the problems. To support the solutions, you will need to specify and support what is the primary problem and attendant sub problems. To underpin the problem and sub problems, you will need to relate relevant data and specify implications of those facts, data, or situational parameters. Essentially, you are stating and justifying your interpretation of the situation—drawn from the data presented or evident. Now it is also important that you list any assumptions you are making (implied or unstated facts). For example, it is reasonable you assume that a client seeks to grow revenue and profit.

Okay. Take a breath. Keep in mind that you are simply trying to help your client and your client's customers achieve their goals. Rather than simply blurting out random ideas, you are going through a thought driven regimen. Chances are good that you have done such things with personal problems or those of friends. Maybe you do this type of thing at work.

Finally, you will need to propose solutions to the problems and attendant sub problems you identified. You will have to organize the solutions. You may want to lay out your solutions along the following lines: Situation Facts or Parameters; Primary Problem and Sub Problems; Implications or Effects Associated with Problems; Needs the Client Other Parties Have Based on Problems; Solution Offered; Justification for Solution; Implications of Solution.

Your written submission is an internal report to be used as an internal report and should be written as professional business document with clear narrative that analyzes the facts from the case. The format should have clearly identified sections and headings for each of the required evaluation areas. The required file format is Word (.docx) or PDF (.pdf) and the file must be uploaded to the Blackboard assignment. Do not email the file to your instructor. It must be uploaded to Blackboard to be graded.

Okay. Given your assignment, go ahead and read carefully through the data presented in the following section. Take your time. Read through the situation several times. You will glean different bits of information each time. Then, initiate the analytical structure related in the previous paragraph.

IV. CASE STUDY

Your Employer – FedEx Office

You are an account representative with FedEx Office. Your job is to secure relationships with client organizations. Your company melds the parcel moving capabilities of FedEx with printing and data capabilities. Your customers are businesses that need to distribute information to their clients or internal users (e.g., training information, product information, manuals). Unlike main line UPS or FedEx, your employer does not move parcels or freight. Instead, your company helps clients disseminate data to users. In most cases, the data and information disseminated are non-routine (i.e. specific to a certain product, project, or program). An example would be copying, packaging, and shipping training materials and operating manuals to sixty-four hospitals and other facilities owned by Trinity Health group.

FedEx Office can print, store, disseminate, package, and otherwise prepare documented materials. Its facilities are located in all cities in the United States with populations in excess of 20,000. The firm can ship to any location that can be reached by road. Data can be transferred between any of the nearly 2,000 FedEx Office locations. All locations feature printing, binding, cd or DVD burning and other data packaging capabilities. All locations are served by FedEx pickup and delivery. All locations offer a range of delivery options (next day, same day, two business days) very similar to those offered by UPS.

FedEx Office can ship across the world. In some nations, agents of FedEx Office (other firms) are engaged in delivery. FedEx Office facilities are located only in the United States (all fifty states) and across Canada.

Your Prospect – ProTrain, Inc.

You have been contacted by ProTrain, Inc. ProTrain is a training services company that provides an array of packaged training programs to businesses across the United States and Canada. The company is based in Dallas, TX. It has sub-offices in Los Angeles, CA and Stamford, CT.

ProTrain has been in business for fifteen years. It was started by Chris DeFore. DeFore is a professional human resources trainer and holds several national standards certifications in the human resources area. DeFore earned an MBA from Stanford University.

In 1999, DeFore convinced six fellow human resources trainers to form a co-operative. The trainers began training human resources managers in the health care area. Over the years, DeFore and the partners built relationships with trainers from other disciplines (e.g., Six Sigma, ISO 9000, Microsoft Office, and other areas where business often job out training.

Word of mouth and positive experience allowed DeFore and the partners to establish a network of 200 contractor trainers across the U.S. and Canada. ProTrain offers training solutions for seventeen specific applications.

Situational and Context-based Information

You have a video conference call with Chris DeFore. It lasts for about forty minutes. During the visit, DeFore shares information with you and responds to several questions you ask. The following are notes and observations you log during the visit.

Clients contact ProTrain via the internet or telephone. Based on client needs, a training plan is devised and a bid generated. If the bid is accepted, a trainer or training team is notified and scheduled; materials specifications are generated; materials are prepared or secured; materials are shipped or generated by the client; the training site is established; trainees are contacted and prepared; and the training is executed.

Aside from DeFore and three of the original partners, ProTrain has seventeen full-time employees. Seven full-time staff work at the Dallas office. Five full-time staff work at the Stamford office. And five full-time staff work at the Los Angeles office. At each office training materials are prepared from documents proprietary to ProTrain. Preparation usually involves inserting the client's logo, date, and any materials the client specifies as mandatory to the organization (e.g., document numbers or certificates). Most times the materials are copied in the quantities specified, any discs or other ancillaries prepared and labeled, and the shipment packed and sealed.

All of the full-time staff are female. All of the full-time staff work forty hours or fewer per week. All of the full-time staff are capable of running printers, doing document management tasks, and carrying out other office tasks. One employee at each location, the site manager, handles scheduling and billing of the training seminars. DeFore and the original partners select and arrange compensation for the contractors who carry out the training.

ProTrain ships to training locations via all the major package carriers USPS, UPS, FedEx, DHL, and others as needed. Materials are held at the training location or hotel and picked up by the trainer. The trainer, a contractor with ProTrain (i.e. not a full-time employee).

Status of ProTrain 2015

ProTrain has grown its revenues over the past few years. In 2015, ProTrain carried out 900 seminars. Each location dispatched six seminars per week over a fifty week training year (fiscal year). Base price for any seminar (net of materials) is \$5000. Base price covers a three day seminar (including trainer travel time). Base price covers training for ten trainees net of materials. In 2015, the average seminar serviced fifteen trainees and averaged four days duration.

ProTrain has an excellent reputation as a provider of training for human resources, Six Sigma, ISO 9000, and all main-line Microsoft Applications (Word, Excel, PowerPoint, Access...). DeFore knows that the cadre of fifty trainers who conduct slightly over seventy percent of the classes offered each year, are the key to ProTrain's success. The core trainers average thirteen four to five day sessions per year. Those trainers are nationally known experts in their fields. Most of the trainers once worked for large corporations (e.g., Dell, Texas Instruments, and Microsoft). Some of the trainers hold advanced degrees. All hold specific certifications and credibility that makes the courses acceptable to certification bodies.

In 2015, the average training session cost a client \$7000 net of materials and trainer lodging, food, and travel. ProTrain grossed \$6.3 million in revenue. In 2014, ProTrain ran 1050 sessions with an average billing of \$6500 per session for a gross revenue of \$6.82 million. ProTrain changed its pricing in 2015 in response to declining sales.

DeFore explained the ProTrain had had several cancellations between 2014 and 2015 and conceded that several long time clients had cancelled training because of delays. One client indicated that his trainer was unprepared. "The guy used a white board for the first two days of training. We paid for professional training. I had several trainees complain that they could not follow the material and had to take copious notes by hand."

DeFore elaborated that in the situation related the trainer arrived at his hotel on Sunday expecting that the training materials would be there. Because of delays in processing at one of the offices, the training materials could not be shipped until late the previous Friday. The training materials arrived Tuesday afternoon—two days into the training. DeFore further explained that two of the staff in the office involved were ill—causing a backup in processing. So the materials were shipped out ASAP to the hotel rather than the training site—a hospital.

Not only did ProTrain lose the hospital chain as a client--the trainer involved, who was one of the core, went to another training company. “That fellow took about \$100,000 annual revenue with him,” DeFore conceded.

DeFore observed that, although ProTrain can schedule sessions, it was getting more difficult to prepare materials. Most of the clients, hospitals, banks, school districts, and certain types of manufacturing companies, were small to mid-size. They want ProTrain to prepare the training materials rather than having to print, bind, and package the materials themselves. In cases where companies prepared materials themselves, disasters occurred. PowerPoint slides were missing or out of order. Binders were incomplete or not available. Training materials were done on the spot. Misspelled words and format errors were rampant. In all cases, trainees complained and contract trainers became very frustrated.

DeFore noted that the trainers were responsible for getting the materials onto the training site. That protocol had been in place since the inception of ProTrain. DeFore conceded that several of the core trainers were frustrated with having to secure the materials and haul them to the site. One fellow noted that a competing firm shipped direct to the site and texted its trainers regarding arrival time and location of materials. DeFore conceded that ‘something needs to be done soon or we will be out of business within five years.’”

When asked why ProTrain did not ship to the training site, DeFore sighed and explained that most of the hospitals, banks, and school districts the trainers deal with have fairly extensive facilities. In one case, a shipment was delivered at the school district office. A receptionist set the shipment with stacks of textbooks and mail that had come into the office. The trainer arrived at the high school conference room, the designated training site. It took fifteen telephone calls to the carrier and among the schools and offices of the school district to locate the training materials. “That is why I hold the trainers accountable for shipping materials.”

When asked if the materials are customized to the client, DeFore proudly stated “You bet. That is a strength of our programs.” DeFore then noted that in two cases, the wrong organization name was set on the materials. Microsoft Pro materials prepared for the transcription staff at M.D. Anderson Cancer Center in Houston, TX were mislabeled with materials to be shipped to the transcription staff at the School of Veterinary Science at Texas A&M University in College Station, Texas. Fortunately, the parties saw the irony in that situation.

When asked if it were possible to contract document preparation to some type of organization, DeFore admitted that “our staff is getting older and slower.” The average staff member is 64. Most of the women have family and social obligations that sometimes interrupt attendance at work. However, DeFore noted that securing reliable, literate, staff for such positions is expensive. ProTrain pays the average staff member \$40,000 per year with \$20,000 per year in benefits costs. So staff costs are close to \$900,000 per year. DeFore estimates that replacing a staff member will run closer to \$50,000 with \$30,000 in benefits and other costs of employment. Last year, DeFore paid out \$75,000 in overtime bonuses to staff attributable to rush jobs and business flux.

Goals for ProTrain

You ask Chris DeFore why ProTrain seeks to continue the business in light of labor and support problems. DeFore indicates that the demand for outsourced training for the medical and education industries is expected to grow at an average of six percent per year for the next five years. "I just got to get up to speed," DeFore observes.

So what is the problem, aside from delivery and preparation stuff? DeFore indicates that InStruct, a company started by a former ProTrain contractor, had begun to eke away at ProTrain's client base. Jason Evers, founder of InStruct, had lured away several of ProTrain's core trainers with more lucrative compensation and better support. "Oh," you utter. You ask DeFore if ProTrain can sue Jason for pirating materials. DeFore glares at you. "The trainer is the key asset here. Any expert can develop materials. If I sue, core trainers will leave us like there's a plague." "Sorry," you utter.