



# Contingency Planning to Support Operating in an Uncertain Environment



Mike Macyauski  
Vice President, FedEx Express  
Operations Planning & Engineering





# The FedEx Brand

## “Absolutely, Positively Overnight”

The “Purple Promise” — *I will make every FedEx experience outstanding*

- A satisfied customer at the end of every transaction
- Delight the customer
- Connecting people
- Making possibilities a reality



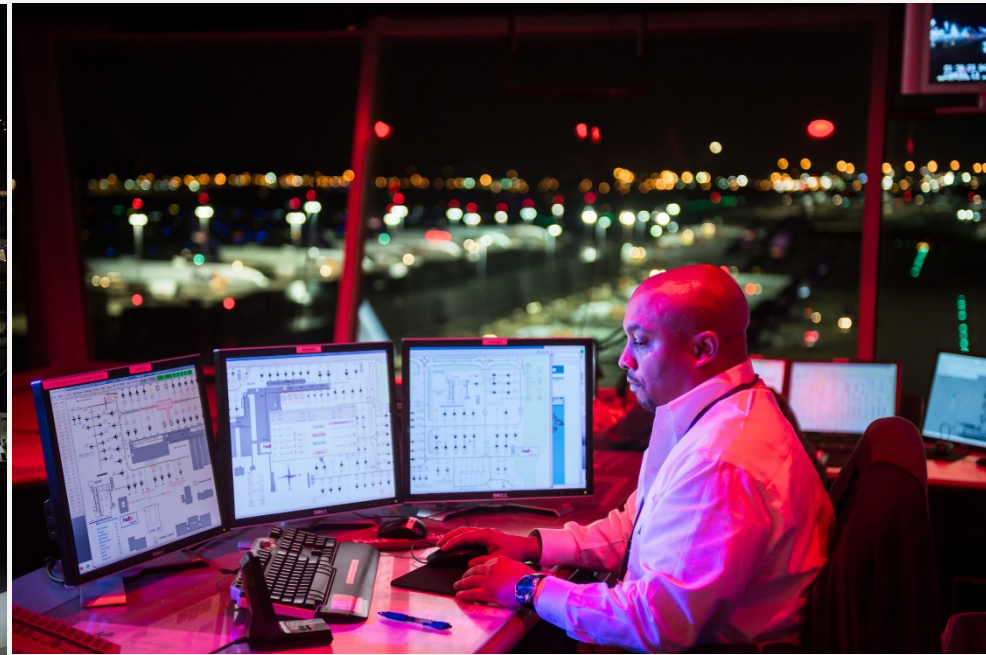
# Delivering on the “Purple Promise”

- Ensure a well-planned & executed transportation network
- One with the resiliency to produce expected, successful outcomes even when the environment is outside the “norm”
- Plan for the unusual, the unknown, the unexpected
- Enabling success in a wide range of circumstances



# Contingency Planning

**Address all manner of potential disruption & minimize impact to planned network operations**





# Contingency Planning

## Routine Contingency Planning:

- **Peak season** (Thanksgiving through Christmas)
  - Expanding capacity to over 100+% of normal
- **Special event planning**
  - Customer Technology releases
- **Special Operations driven**
- **by 'Normal' Holidays**



# Contingency Planning

## Less Common Contingency Planning:

- **IT outages, malicious network attacks**
- **Industry disruptions**
  - Labor disputes
  - Work stoppages
  - Transportation network (FAA, NTSB directives, Global airspace restrictions)
- **National or Global catastrophes**
  - Geopolitical actions
  - Terror attacks
  - Armed conflicts

# Basic Tenets of Weather Contingency Planning

- **Protect Our People, Assets, and Brand**
- **Remain flexible & adjust to changing conditions**
- **Assess the risk of alternative decisions**
- **Central command & control to ensure consistency in communication & execution**





# Weather Contingency Planning in Action

Contingency plan action occurs most commonly on recurring events such as:

- Winter storms
- Floods
- Wild Fires
- Hurricanes



72 named NOAA monitored events so far in 2018:



- Tropical Storm 31
- Hurricane 20
- Typhoon 12
- Tropical Depression 9



# Hurricane Contingency Process

**Hurricanes impact broad geographical areas and markets within the FedEx network, and each is handled a bit differently, but commonalities include**

- **Protect our people, assets, and brand reputation**
- **Develop extensive pre-hurricane season communications & planning parameters for all relevant support groups**
- **Ensure operational & support organizations maintain all prescribed impact mitigation and preparation efforts**
- **A broad recovery framework is developed to cover impacted areas wherever they may occur**

# Hurricane Contingency Process

Landfall -5 Days

Meteorology dept. alert all potentially impacted areas of storm

Landfall -5 to -3 Days

Monitor storm & its progress

Landfall -2 Days

Daily conference calls with local operations management & corporate support team

Landfall -1 Day

Evaluate need for suspension of service in impacted area (if necessary)

- Actively monitor FEMA support website
- Determine where Employee relief supplies to be staged
- Determine closest market where packages for the impacted region can be staged until operations resume
- Determine alternative package routing /splits

Landfall 0 Day

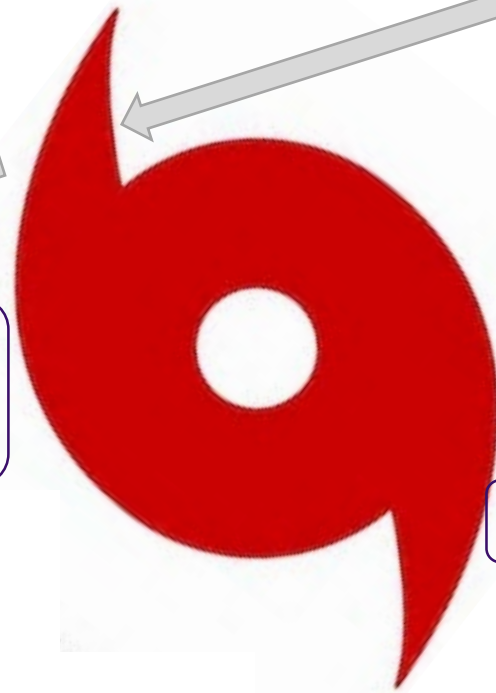
When Safe:

- Have GO-team, and local Mgt. do damage survey
- Establish 'Hurricane Desk' to coordinate recovery effort
- Send in Relief Supplies
- Engage Properties Dept. to initiate facility repairs

Landfall +1 Day

Recovery Ops:

- Resume service ASAP
- Utilize alternate airports &
- Stations to serve impacted area if required





# Imperatives for **Success** in Weather Contingencies

- Flexibility in network planning, line-haul, sortation, and pick-up & delivery
- Rapid response, decision making, and execution of adjusted plan
- Fast cycle communications across dozens of departments representing all stakeholders responsible to produce the best outcome
- Global Ops Control, Corp Communications, Customer Service, various staff support Planning / Engineering departments, & Operations
- Operations and Customer Service IT systems supporting the information flow relative to status and disposition of impacted packages from pick up through all alternative transportation, storage & final delivery.

