

Connecting People and Possibilities

An Interview with Raj Subramaniam, President and Chief Executive Officer, FedEx Corp.

EDITORS' NOTE Raj Subramaniam is President and Chief Executive Officer and a member of the Board of Directors of FedEx Corporation. Subramaniam is chair of the five-person Executive Committee which plans and executes the corporation's strategic business activities and of the FedEx Strategic Management Committee, a select group of the company's top leadership which sets the strategic direction for the enterprise. Before being named President and CEO-elect in March 2022, he was President and Chief



Raj Subramaniam

Operating Officer of FedEx Corporation. Subramaniam held various leadership roles in operations and marketing across the FedEx portfolio of operating companies during his more than 30 years at FedEx. Originally from Trivandrum, India, Subramaniam lives in Memphis, Tennessee—the company's global headquarters. He serves on the board of directors of the Procter & Gamble Company, the U.S. Chamber of Commerce's China Center Advisory Board, FIRST, U.S.-India Strategic Partnership Forum, and the U.S.-China Business Council. He is a member of the U.S.-India CEO Forum. He is also a 2023 recipient of the Pravasi Bharatiya Samman Award, the highest civilian award presented by the President of India to the Indian diaspora in recognition of outstanding achievements in India and abroad. Subramaniam earned a bachelor's degree in chemical engineering from the Indian Institute of Technology (IIT), a master's degree in chemical engineering from Syracuse University, and a master's degree in business administration from The University of Texas at Austin.

COMPANY BRIEF FedEx Corp. (fedex.com) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenue of \$94 billion, the company offers integrated business solutions through operating companies competing collectively, operating collaboratively, and innovating digitally under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 550,000 employees to remain focused on safety, the highest ethical and professional standards, and the needs of their customers and communities. FedEx is committed to connecting people and possibilities around the world responsibly and resourcefully, with a goal to achieve carbon-neutral operations by 2040.

How do you define FedEx's mission and purpose?

FedEx has spent the last 50 years connecting people and possibilities. We are continuing that legacy by leveraging our unparalleled physical network, optimized by data-driven decision making and insights, to help businesses flourish, economies prosper, and standards of living improve. But it's more than just enabling; we are growth partners for businesses of every size, from retailers to consumers. We work alongside our customers to find the best way to address their unique needs.

Our passion and commitment start and end with our customer. In direct support of this, our team members are dedicated to our Purple Promise, which is to make every FedEx experience outstanding.

FedEx places a major focus on innovation and continuous improvement. How critical is this as part of the culture and success at FedEx?

FedEx was born from innovation – it is in our DNA. We invented time-definite overnight

express delivery. We originated real-time package tracking, and we were the first to put that information online, because our founder Fred Smith knew even then that the information about the package is as important as the package itself. We've been at the forefront of the latest advancements in temperature-controlled shipping which were absolutely critical for emergency vaccine delivery during the COVID-19 pandemic.

At FedEx, that innovative spirit has become ingrained in our culture. We constantly ask ourselves, "what's next?" – because we know innovation lays the foundation for growth. When you get too comfortable with the status quo, you stagnate. It's about anticipating the future, staying curious, and acting now to stay one step ahead because that is exactly where our customers need us to be.

How do you describe the FedEx difference?

2023 marks 50 years for FedEx. In that time, we created an industry from the ground up with unmatched scale and scope, empowering customers to access the global market in



During the pandemic, FedEx delivered roughly half of the total COVID-19 vaccine doses distributed by the U.S. federal government, as well as ancillary kits to facilities throughout all 50 states and territories



FedEx handles about 16.5 million packages a day on average

ways they never could have imagined. We built an unparalleled physical network that served as our differentiator, one we proudly and uniquely leveraged to help keep the world moving forward during the pandemic.

And now, as we look ahead to the next 50 and beyond, FedEx is focused on making supply chains smarter through digital innovation. Our physical network generates petabytes of data every single day, so we have valuable digital intelligence that is highly relevant for our customers' successes. We are using these insights to improve the efficiency of our customers' operations and enhance the end-consumer experience.

By using data in intelligent ways, we're able to provide visibility, reliability, and predictability for our customers while more efficiently managing the global supply chain. This is our differentiator in the market.

Where do you see the greatest opportunities for growth for FedEx as you look to the future?

FedEx is where now meets next. While we continue to deliver today, we have an eye toward the future that is focused on where the world might need us tomorrow. Our greatest opportunity, and where our strategy lies, isn't just about growth. It's about profitable growth while streamlining our cost structure, which enables us to be the smart choice for our customers. All of this happens on a strong foundation of outstanding service, our world-renowned culture, and our digital DNA.

We are achieving our goals by fundamentally transforming our business to be more efficient, more resilient in a rapidly shifting landscape, and more adaptable to market demands. This means we're optimizing the efficiency of our operations, offering a differentiated portfolio, enabling smarter supply chains, cutting costs without sacrificing customer experience, and building on what already works well for us.

“FedEx is where now meets next.”

Will you discuss FedEx's commitment to building a diverse and inclusive workforce to mirror the diversity of its customers and the communities it serves?

At FedEx, we know our customers, suppliers, communities, and prospective employees want to work with companies led by and comprised of people who look like them. They want to see other people who share their experiences, background, and culture.

Since our founding, FedEx has believed in the power of diversity, equity, and inclusion and has remained committed to fostering workplaces that celebrate the unique contributions of each team member. We have always prioritized diversity and invested in programs that furthered equity both within our company and in larger society. Even so, we continuously take a hard look at these efforts and challenge ourselves to do more. How can we be even more proactive, think bigger, and take our efforts to the next level?

The result is a deep bench of programs and policies focused on recruitment, advancement, and company culture, as well as new, innovative efforts with schools and community organizations that have expanded our reach and brought new perspectives. DEI is structurally integrated into our company and organized into four areas: our people; our education and engagement; our communities, customers, suppliers; and our story. Each supports our corporate purpose of connecting people and possibilities. It's about connecting people from all backgrounds, cultures, and abilities to good paying jobs, career advancement, new networks, and economic opportunity.

What do you see as FedEx's responsibility to its communities and how ingrained is corporate responsibility in FedEx's culture?

The very fact that the FedEx network – which operates across more than 220 countries



FedEx delivers humanitarian relief supplies for those impacted by the earthquakes in Turkey and Syria



In its 50th year of operations, FedEx now serves more than 220 countries and connects more than 99 percent of global GDP

and territories – even exists makes us uniquely positioned to connect people and possibilities, enable communities to flourish, lift business standards, and so much more. That alone is a responsibility we take very seriously. Even so, corporate social responsibility for FedEx is about taking it one step further by leveraging the power of our network during times of crisis when the world needs us most. I use an analogy often to explain this: If your neighbor’s house is on fire and you have a hose, you’re going to use the hose to put out that fire. It’s that simple.

For example, in February of this year, FedEx worked with our long-standing international aid partners to support earthquake relief efforts in Turkey and Syria. This included using our network to deliver 230 metric tons of critical aid via five relief flights. These charters delivered tents, blankets, baby items, household supplies, and hygiene kits. We also donated funds to help the Turkish Red Crescent with recovery efforts, transported 55 pallets of freight for World Central Kitchen, and provided logistical support to the Turkish Red Crescent moving critically needed supplies by road.

We are also immensely proud of the role we’ve played in global COVID-19 response and recovery. Since the start of the pandemic, FedEx distributed hundreds of millions of vaccines and other critical supplies to where they were needed most throughout the world. These are just two of a mountainous and ever-growing number of examples of how we combine the unique power of our network and our caring and compassionate team members to deliver hope where it’s needed most.

What do you feel are the keys to effective leadership and how do you describe your management style?

In order to succeed in any company, I firmly believe your personal values must match the company’s values. That is especially true as you move into leadership roles and are responsible for making decisions for others – no matter how big or small your team may be. You have to be able to go to sleep at night comfortable with the decisions you’ve made, and that can only happen if your values are in sync.

FedEx has always been a company with very strong core values, balanced with our People-Service-Profit (PSP) philosophy. That means, when you take care of your people, they deliver outstanding service, which generates profit for the company that can be reinvested back into the people. Those core values are important to FedEx, and match with my own personal values.

When it comes to my management style, I focus on three things: vision, team, and execution. Establishing a clear vision is foundational to that, then you make sure you have the right team in place, and then enable that team to execute by removing barriers. And when it comes to developing “the right team” – that’s built on a culture fueled by collaboration, teamwork, and accountability for all. We are stronger together, and the best results come when we share ideas and work together across the company.

What advice do you offer to young people beginning their careers during this challenging and uncertain time?

We live in a highly dynamic world, so what feels like a challenge can actually be an opportunity. It’s about perspective. Be willing to take on new opportunities and adapt to unknown or

unplanned situations, because you never know where it may take you.

Early in my career, an opportunity presented itself to move to Hong Kong to be a part of the FedEx growth story in Asia. This was not in my plan, but I took a calculated risk that ended up being one of the most pivotal decisions of my career. To this day, I credit my years in Hong Kong as the single biggest move that helped me grow both personally and professionally.

From there, the next opportunity came as president of our Canadian operations. My time spent in Canada was again an experience I will never forget. There is true learning as you move from a staff function in a new country – in my case marketing – to then run, as a general manager of operations, the whole company in Canada. That transition was extraordinary and impactful on my career trajectory.

What I learned from these experiences, and continue to see throughout my career, is that I will always benefit from being open and willing to adapt. You have to throw yourself into situations, even if it is uncomfortable or you think it won’t lead to anything. But notice I said adapt. Even through change, it is important to stay true to your core values. Change shouldn’t change you.

You have spent more than thirty years of your career at FedEx. What has made the company so special for you?

Without a doubt, it’s the people. I have been lucky to experience many different roles across the enterprise, each of which taught me something unique about the business. But my first transition from a staff function – in my case marketing – to oversee operations for the entire region of Canada, is where I learned just how dedicated our team members really are to the Purple Promise.

I have several stories from my time in Canada, but maybe my most memorable experience was when I participated in a reality TV show, *The Big Switcheroo*, where I swapped jobs with a frontline team member for a week. My biggest takeaway was that the FedEx business is a people business. We can talk about customer experience all day, but the reality is, our business is people interacting with people, and I realized quickly that FedEx people are very special. Our people are what truly set us apart from our competitors.

You have many accomplishments throughout your career. Are you able to enjoy the process and take moments to celebrate the wins?

For me, I get the most joy out of celebrating our hardworking team members and thanking them for all they do. Whenever I travel, I make it a point to stop in to see our frontline team members, whether I’m in Denver, Delhi, or somewhere in between. It’s something I truly enjoy as it allows me to hear firsthand how our team members are living out our Purple Promise, and it’s a reminder of why I’ve chosen FedEx for over 30 years. I am extremely proud of FedEx and the individuals who represent our brand each and every day. It’s about giving credit where credit is due because it’s their hard work and dedication that keep FedEx, and the world, moving forward. ●