

FedEx Trade Networks opens borders with IBM content management solution.

Overview

■ **Application**

Enterprise content management (ECM) system for processing U.S. Customs and Border Protection documents

■ **Business Benefits**

100% payback after one year;
\$120,000 annual reduction in operating costs; \$100,000 yearly savings as a result of warehouse consolidation

■ **Software**

IBM DB2® Content Manager;
IBM DB2 Universal Database™;
IBM WebSphere® MQ; IBM CICS®;
IBM Fax Plus/Open; IBM Facsimile Support for iSeries™

■ **Hardware**

IBM @server® iSeries;
IBM @server zSeries®

■ **Business Partners**

IKON's Image Systems Solutions; Kofax



An enterprise content management solution based on technology from IBM, Kofax and IKON's Image Systems Solutions allows FedEx Trade Networks to speed shipments through customs clearance centers.

Facing heightened security concerns, shipments into the United States from Canada, Mexico and overseas now undergo such intense scrutiny that cargo with any documentation irregularities can sit for days while it awaits clearance by U.S. Customs and Border Protection (CBP).

Enter FedEx Trade Networks, a 3,200-employee subsidiary of FedEx Corporation. Headquartered in Memphis, Tennessee, FedEx Trade Networks is the largest volume U.S. Customs entry filer in North America,

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—James Bowman, Vice President, Information Systems, FedEx Trade Networks

handling more than five million transactions annually. As a leading provider of services to assist international shipping, the company helps speed shipments through CBP by simplifying the documentation process.



By using DB2 Content Manager, FedEx Trade Networks has streamlined its international shipping process.

The company's business has grown rapidly over the past few years, but although FedEx Trade Networks has welcomed the growth, it foresaw potential problems with its outdated, paper-intensive processes. The manual methods of documenting international shipments were highly inefficient and cumbersome, resulting in bottlenecks at the clearance centers, extra work for office staff and rising operational costs. In accordance with government regulations, CBP paperwork had to be stored for a minimum of five years. Locating archived documents took as long as two and a half days.

To solve its problem, FedEx Trade Networks worked with IBM Business Partner IKON's Image Systems Solutions to implement an enterprise content management (ECM) system based on IBM DB2 Content Manager running on an IBM @server iSeries system. The solution has streamlined its international shipping processes by using imaging technology to store and send CBP documents to local CBP officials, significantly reducing the complexities of importing goods into the United States.

As a result, FedEx Trade Networks has reduced the use of warehouses, resulting in \$100,000 annual savings. The company also was able to reposition 30 people out of its mailroom and storage facilities into other jobs, while reducing its yearly postage costs by \$120,000. In addition, the online solution helps FedEx Trade Networks avoid penalties—up to \$1,000,000—that CBP now imposes for lost documents, because the system has reduced its loss rate to nearly zero.

“The indexing in DB2 Content Manager and DB2 Universal Database is ideal for answering questions about shipments.”

*—Karen Stendardi, Senior Manager, Image System Administration,
FedEx Trade Networks*

"Thanks to IBM DB2 Content Manager, 90 percent of our advance document shipments are allowed to enter the country without regulatory delay," says James Bowman, vice president, Information Systems, FedEx Trade Networks. "And because it electronically centralizes the documents, the system allows us to conduct archived document searches in seconds instead of days."

Opening international borders

FedEx Trade Networks has earned industry recognition as the first company in the U.S. to apply document imaging technology to its customs brokerage operations. Today, FedEx Trade Networks is the sole customs broker for FedEx Express, with responsibilities for all five of the FedEx Express international customs clearance centers in the U.S. "We're the engine that drives FedEx Express International Priority® service," says Doug Wendt, vice president, Air Express Operations, FedEx Trade Networks. "Our technology allows the proper documents to arrive at the customs clearance center before the FedEx Express flights touch ground. By doing so, shipments can clear Customs rapidly, because our systems know which packages need inspection and which can be delivered immediately."



Customers can monitor the status of shipments through the corporate Web site, which integrates seamlessly with the company's DB2-based content management solution.

The ECM system allows FedEx Trade Networks to capture documents at global collection points by utilizing Ascent Capture from Kofax, an IBM Business Partner and business applications provider located in Irvine, California. Ascent Capture collects the paper documents and transforms them into accurate, retrievable electronic information. The scanned documents are then transferred over the FedEx international virtual private network, and imported—using IBM WebSphere MQ—into DB2 Content Manager running on the iSeries at the company's central data repository. "Our DB2 Content Manager solution has transformed our business," says Bowman. "We can now be much more responsive to our customers while

lowering our operating costs—which will enable us to recover our investment fully in just one year."

DB2 Content Manager archives the electronic documents, storing the indexes in IBM DB2 Universal Database. The ECM solution is integrated with the FedEx corporate Web site, making scanned documents easily accessible to external parties through password-protected log-ins. Documents can be printed out in Adobe Acrobat PDF format for inspection by CBP officials. The solution also includes IBM FaxPlus/Open and IBM Facsimile Support for iSeries to handle the receiving, sending and error handling as well as database reporting for all of FedEx Trade Networks' facsimile traffic.

"The indexing in DB2 Content Manager and DB2 Universal Database is ideal for answering questions about shipments," says Karen Stendardi, senior manager, Image System Administration, FedEx Trade Networks. "In a matter of seconds our customer service reps can view online the status of a particular shipment and update customers. Alternatively, our online self-service feature, Global Trade Data, allows customers to have instant access to realtime shipment status while reducing our overall customer service costs."

Smoothing the global shipping process

The workflow logic is integrated with the company's IBM **@server** zSeries, which uses WebSphere MQ to exchange shipping information with CBP's mainframe system. IBM CICS serves as the middleware between the firm's legacy mainframe and its user interface.

"By using DB2 Content Manager, we feel as if we have greatly enhanced our ability to provide the most leading-edge products and services within the transportation industry," says Stendardi. "And by running the solution on the iSeries system, we can achieve the level of reliability and stability necessary for our most important business applications."

In fact, FedEx Trade Networks' ECM solution has now become the industry standard. Says Jerry Leary executive vice president, FedEx Trade Networks, "We broke ground as the first service provider to gain approval from CBP to permanently store documents electronically. Because of our solution, CBP changed its regulations to allow for paperless processing. By using IBM technology, we have set ourselves apart from the competition with our unique content management capabilities. Without question, our position in the marketplace is much stronger today."

For more information

Please contact your IBM marketing representative, IBM Business Partner or IBM Direct at: 1 800 IBM-CALL.

Visit our Web site at

ibm.com/software/data

For more information about FedEx Trade Networks, visit:
www.ftn.fedex.com

For more information about IKON's Image Systems Solutions, visit:
www.ikon-iss.com

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01-04
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