

A FedEx® Critical Inventory Logistics
**Customer
Success Story**

Siemens Government Services, Inc.

Siemens Government Services, Inc. (SGS) plays a critical role in keeping America's airports safe and secure. When SGS was awarded a vital Homeland Security service logistics contract, they needed a logistics provider with inventive strategies and capabilities. SGS teamed up with FedEx Global Supply Chain Services to deliver a logistics solution. FedEx Critical Inventory Logistics provides optimized sourcing across multiple original equipment manufacturers (OEMs), minimizing average downtime through forward deployment of inventory, providing detailed order visibility from placement to delivery, and ensuring returns are processed efficiently.



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Innovative Solutions

After Sept. 11, 2001, the Transportation Security Administration wanted to put in place maintenance and program management plans for their airport security equipment. They were looking for a single entity to take care of all equipment maintenance. SGS won the contract and has continued to search for ways to further ensure customer satisfaction throughout over 450 U.S. and territory airports supported.

"We looked to FedEx for solutions because they are industry leaders and global providers with an excellent reputation for providing innovative distribution solutions for other divisions within Siemens," said Wayne Weatherly, vice president of strategic accounts for Siemens Government Services, Inc. "Through it all, the priority that FedEx put on addressing our distinct business requirements was fantastic."

Rapid Response

SGS and FedEx mapped out a plan that would give field service technicians quicker access to region-specific inventory distribution points. What this means is that the field service technician does not have to go to a remote cabinet somewhere, or call in and order a part from the OEM and risk missing the terms of the service level agreement. Now, they go to that region's forward stocking location or ramp, pick up the part, complete the repair, and fulfill the ultimate goal of keeping air travelers safe and happy.



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Technology-Driven Efficiency

The technology provided by FedEx Critical Inventory Logistics offers SGS the ability to optimize sourcing locations and transportation services, check inventory balances, and automate inventory replenishment. Through system validation of parts prior to stocking, it also supplies an additional layer of quality controls to ensure that Siemens is getting the right part.

Reclaimed Returns

After improving delivery time and maximizing field service technician efficiency, SGS needed to address lost and unaccounted for damaged parts. Previously, the technicians would complete the repair and return the inoperative part to the OEM in order for reimbursement. Unfortunately, the inoperative part returns were not getting back to the OEMs, resulting in thousands of dollars lost. FedEx stepped in with the Advanced Asset Exchange service. Now the new part is sent to the field service technician with a complete return label that allows the inoperable part to be placed into a replacement part box and immediately shipped back to the OEM for credit. If the part is not returned according to the predefined process, FedEx provides various levels of proactive alerts to single out potential return issues, and offers services to help reclaim the lost part.

Competitive Advantage

“There is no doubt that FedEx has enhanced our competitive position,” Weatherly said. “The amount of time previously consumed by the maintenance and parts sourcing process was approximately 60 to 70 percent of the overall time between the initial repair call and the fix. Now it is half that amount of time. What that means to the traveling public is that they will have airport security equipment that is operational so they can get through airport security checkpoints as quickly and efficiently as possible. That is how we define success.”

SGS Opportunities

- Minimize average downtime of security equipment.
- Increase SGS field service technician productive repair time.
- Gain access to dynamic inventory storage locations for domestic and international regions served.
- Reduce OEM charge-backs for parts not returned.
- Gain visibility to static, in-transit and returns inventory.

FedEx® Solutions

- Combination of central stocking location and forward stocking locations network.
- Order optimization for parts sourcing from FedEx and OEM locations.
- Complete visibility of orders, shipments and returns via **fedex.com**.
- Advanced Asset Exchange.
- Same-day moves.
- Will-call pickup service.
- Hold at FedEx Location service.
- International shipping and document preparation.

Values

- More than 30 percent reduction in call-to-fix time.
- Decrease in OEM charge-back costs for missing parts.
- Integrated business processes and technology.
- Increased asset tracking and logistics capabilities.
- Improved responsiveness by pre-positioning spare parts near regional airports.
- Improved customer satisfaction by leveraging distribution network to cover all U.S. and territory airports.