

## CHAPTER 1: INTRODUCTION

### 1.3-1.

Answers will vary.

### 1.3-2.

Answers will vary.

### 1.3-3.

By using operations research (OR), FedEx managed to survive crises that could drive it out of business. The new planning system provided more flexibility in choosing the destinations that it serves, the routes and the schedules. Improved schedules yielded into faster and more reliable service. OR applied to this complex system with a lot of interdependencies resulted in an efficient use of the assets. With the new system, FedEx maintained a high load factor while being able to service in a reliable, flexible and profitable manner. The model also enabled the company to foresee future risks and to take measures against undesirable outcomes. The systematic approach has been effective in convincing investors and employees about the benefits of the changes. Consequently, "today FedEx is one of the nation's largest integrated, multi-conveyance freight carriers" [p. 32].