



FedEx Kinko's and minority-and women-owned businesses form alliances to deliver comprehensive document management solutions that improve quality and services, reduce costs, exceed school district MWBE requirements and benefit the community.

Corporate profile

The Dallas Independent School District (DISD), the 12th largest public school system in the nation, educates more than 160,000 students in 218 schools. With 19,000 employees, the DISD serves 11 municipalities over a 351-square-mile radius. Land, furniture and equipment represent an investment of more than \$1.1 billion.

Key business issues and challenges

DISD has extensive document production needs to support its schools and 16 administrative offices. Millions of dollars are spent every year on print production, including equipment, document production and administrative costs. The district was saddled with fragmented printing processes, technology obsolescence, long-term contracts and basic infrastructure constraints.

DISD wanted to create a comprehensive document management solution that served the needs of all teachers and administrators, cut costs, better leveraged and tracked spending across the whole district, updated technology and equipment without capital investment and long-term contracts; reduced equipment needs; and created new efficiencies. The district felt it could save 20-25% of its current document management and production costs with a new approach.

In addition, part of DISD's strategy involved a comprehensive *Minority and Women Business Enterprise (MWBE) plan. As part of the plan, DISD required that a minimum of 25% of budgeted spending on the new solution would go to MWBE-qualified businesses in the community. Vendors without a robust and on-going commitment to using MWBE resources would not win the business.

**MWBE-certified companies are 51% or more owned, managed and controlled by one or more members of the following groups - African America, Asian American, Hispanic American, Native American and Women. They must also provide high quality services and offer competitive pricing.*

Solution

With a long history of assisting school districts, FedEx Kinko's created a ground-breaking, preferred-provider model that brings value-added services to DISD's document management needs.

Ruben Bohuchot, Chief Technology Officer of DISD, said, "FedEx Kinko's submitted the best response to our RFP. They totally understood what we wanted to do — change the way we were doing business and spend less time worrying about printing, copying, scanning and faxing. FedEx Kinko's solution freed teachers and staff to spend more time on educating."

FedEx Kinko's had four development steps:

First, FedEx Kinko's established a mission for its program - to provide the Dallas Independent School District unparalleled print and document solutions that enable educators to spend more time and energy on the education of children, while providing substantial cost savings for the District in their document management processes.

Second, FedEx Kinko's created an account team that could achieve this mission. The Team included a client services director, project manager, account manager and four educational services consultants. The team directs DISD's document management program, reviews all available services and solutions and looks for ways to add new value and cut costs.

Third, the account team established a comprehensive document management program that includes the following components:

- A comprehensive assessment of the district's print facilities, graphics center, equipment needs and document management processes. The assessment included a review of equipment and supply needs at every school and office location.
- A web site to inform staff and teachers about FedEx Kinko's tools and services. The purpose of this site is to give DISD teachers and administrators access to the programs and services that FedEx Kinko's provides to make their jobs more productive.
- An off-site production center solution to manage the security requirements for all confidential, data center and high volume printing.
- Educational services consultants to work with individual schools, teachers and administrators to select the fastest and least costly way to meet a document need. These consultants visit the schools to process orders and provide guidance for completing document jobs.

Fourth, FedEx Kinko's made community involvement a key component of the program, including participating in DISD's Connect A Student To Technology (C.A.S.T.) program. C.A.S.T. provides a personal computer to any student within the district who asks for one. To date FedEx Kinko's has donated hundreds of former company computers and employee volunteers help distribute them.

FedEx Kinko's also established a DISD employee discount program that gives employees a 50% discount off FedEx Kinko's services and a 68% discount off retail copy prices for personal usage. The DISD employees have available to them FedEx Kinko's global network of 20,000 professionals and 1,200 digitally connected locations, including nine within the District.

Future plans and commitments include internships for DISD students at FedEx Kinko's corporate office and local centers, as well as a "mock" store developed in conjunction with several DISD departments.

MWBE Commitment

With an almost 94% minority student population, DISD required a document management vendor team that truly reflected the makeup of the communities it serves. FedEx Kinko's originally put together a team of five MWBE-qualified suppliers to meet that requirement. That original number has almost doubled and new suppliers will be added as needed. More importantly, FedEx Kinko's wanted to demonstrate its on-going commitment to the community and minority-and women-owned business involvement.

"We look at companies who have diversity in their workforce and who exhibit a good faith effort to use their MWBE," said Annie Holmes, Executive Director of MWBE for DISD. "FedEx Kinko's agreed to meet our requirements and created a diverse supplier team from the start. Then they worked with my department to identify additional MWBE suppliers who are on the team today."

FedEx Kinko's chose from a wealth of MWBE companies in the DFW Metroplex to form a team of equipment suppliers, technical support, paper suppliers and software vendors. From the start, FedEx Kinko's set out to exceed the 25% revenue MWBE participation requirements of DISD's request.

One of the alliances in the MWBE supply chain is Ray Martinez of Martinez Technology Group, an equipment reseller. He said, "When I walked through FedEx Kinko's, I could tell they practice what they preach. It's one of the things I look for. They put together the best qualified mix of MWBE companies and have incorporated all of us into the picture. They went out of their way to ensure representation. That encourages me."

The equipment procurement and maintenance process is one scenario that demonstrates how the MWBE alliance works. DISD pays FedEx Kinko's a monthly fee for rentals and operating leases. FedEx Kinko's purchases the equipment through one of the MWBE partners. When maintenance is required on that equipment, the DISD help desk calls the manufacturer's service number. The manufacturer dispatches the MWBE technical support vendor to the school or administrative office to repair the equipment on site. FedEx Kinko's provides coordination, reporting and oversight throughout all phases of this process.

This is a highly unique business arrangement for a school district, says Delva King of The King Group, a full-service ad agency hired to promote the new services to the schools and MWBE partner. "School districts are reluctant to bring in outsiders, especially a big company. So having a team of companies from the community makes people feel more comfortable. It says we are here to meet your needs."

Holmes said the key to success in an MWBE alliance is exemplary pricing, truly using the subcontractors, on-time delivery of products and services and a willingness to consider new avenues that benefit the community. She said FedEx Kinko's has the desire and interest to make this alliance work for the long term.

Another important aspect of FedEx Kinko's MWBE commitment was its desire to have a presence in a key DISD community. In August of 2004, FedEx Kinko's opened its first center location south of downtown Dallas. The center was built by GXTA, a woman-owned general contractor. The contractor was chosen from companies that attended a bidders forum hosted by DISD's MWBE department. This center joins nine other FedEx Kinko's locations in Dallas, which is also the headquarters city for the company.

Results

FedEx Kinko's successful MWBE alliance, innovative solutions and community commitment are delivering on the key business initiatives DISD identified as integral to the document management solution they were seeking:

- Cost reduction
- Improved efficiencies
- Better leveraged economies of scale and
- Improved technology without massive capital expenditures

The program is on a pace to save the district millions of dollars. Money saved stays with the local school or area and can be reallocated to programs benefiting students and teachers.

"I saw the ability to save money immediately. I now send jobs off to FedEx Kinko's that used to be done in house," Bohuchot says.

The district was considering purchasing two large capacity printers to print report cards. That work is now outsourced and the district has realized substantial savings by not making the purchases.

The MWBE alliance is exceeding its goal with a 40% MWBE participation rate. Over the long term, MWBE spending is expected to remain above 30% against a goal of 25%.

Bohuchot also said FedEx Kinko's is so committed to the relationship with DISD that it has immersed itself in the community: offering discounts, volunteering, awarding of contract work and building the new FedEx Kinko's Center. "They have taken our requirements to a level of detail that almost makes it a science," he said.

Concluding Thoughts

Creating a FedEx Kinko's MWBE team that could deliver on the promise of quality of products and services, timeliness, exemplary pricing, competency and experience was critical to landing and keeping this program with DISD. However, having a team that could also have an impact on the community for some time to come is the golden rule. Martinez says, "The best thing FedEx Kinko's did was to listen to DISD's needs and have an open mind. Because of this and their involvement, they will have an impact on the community for a long time."