

Highly Commended Winner Harnessing the Power of Technology

Federal Express Singapore Pte Ltd.

Eve Yong, Manager, Revenue System Engineering



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Founded in 1984, Federal Express (Singapore) Pte Ltd. is a company that arranges cargo and freight transportation.

FedEx develops proprietary digital platform called PEACE

The challenge

Innovation has always been a key component of FedEx's DNA. Today, the need to provide digital solutions to enhance its customer's experience is ever more critical given that the role of supply chains and e-commerce have fundamentally evolved in recent years.

The team in Singapore faced the following challenges:

- Significant collections in cheques and cash that require manual processing by the operations and treasury team as well as exposure to risk and control issues, particularly with handling cash.
- Manual fund transfers resulting in operational inefficiencies for the company's cash application team with regard to reconciliation against invoices.
- High volumes of credit card collections which are costly for FedEx given the payment gateway fees and interchange fees.

The following objectives were identified to:

- Reduce the analogue payment methods from customers such as cheques and cash to reduce manual processes.
- Reduce operational risk with handling cash and cheques.
- Automate the collection and reconciliation processes to optimise cash application and increase the efficiency of the treasury team.
- Improve its customers' end-to-end experience.

The solution

FedEx created a proprietary digital platform, called PEACE, which is a fully integrated e-commerce platform that connects the entire customer journey.

Working closely with Citi, FedEx can now offer expanded digital payment options to FedEx customers via the PEACE platform across Asia. Leveraging QR standards of instant payment schemes in Hong Kong and Singapore, PEACE displays unique dynamic QR codes to allow frictionless, real-time payments by FedEx customers.

FedEx tightly integrates PEACE with the bank through API to generate payment QR codes and to instantly update payment statuses. As the company's banking partner across Asia, Citi created a customised API architecture to maximise multi-market scalability while complying with the company's high standards in information security.

A customer simply scans the dynamic QR code with their banking or e-wallet apps, then reviews and approves the instant payment. There is no data input required and no sensitive data (eg card number) is shared online. Thanks to real-time API technology, the customer immediately sees that FedEx has received the payment and marked the invoice as paid in the PEACE platform. In addition, PEACE triggers a payment success email to the customer for record-keeping purposes. Using the reconciliation data embedded in the QR, FedEx automatically applies the received funds against the correct invoice, without any human intervention.

Best practice and innovation

Overlaying instant payments with API connectivity for high volume business offer seamless, real-time and 24/7 consumer collections which minimises friction with collections through cheques and cash.

Instant payments are becoming an important collection method replacing traditional consumer payment methods in Asia. QR codes have been critical to propel adoption through ease of use and this trend will continue with time.

For FedEx, and the logistics industry in particular, there is a high volume of payments from consumer and corporate customers including last mile delivery charges that are traditionally paid through cheques or cash. By leveraging instant payments and QR code capabilities, FedEx is transitioning from analogue collection methods and replacing with not only digital but also real-time collection methods.

This solution helps to provide enhanced visibility of cash collections, enabling treasury to further optimise the company's liquidity management.

Key benefits

- Cost savings.
- Headcount savings.
- Process efficiencies.

- Increased automation.
- Improved visibility.
- Errors reduced.
- Manual intervention reduced.
- Future-proof solution.
- Improved key performance indicator (KPI) metrics.

"Our team in Asia stepped up to relook at the challenges in collections across Asia, understanding the business requirements and strategic goals of the company. As a result, we have developed a unique payment portal called PEACE, which is a first globally within our enterprise. Our team in Asia is laser focused on fully digitalising the collections processes and improving service delivery to our customers," says Eve Yong, Manager, Revenue System Engineering.

Innovation is central to FedEx in its commitment to delivering exceptional value to its customers. Understanding the strategic priorities of FedEx, we collaborated closely with FedEx to create a tailored solution that integrates API technology to meet the growing demand for instant payments, especially in Asia. The solution not only drives cost efficiency and automation, but also equips FedEx to extend these advantages across more countries and territories, in and beyond Asia. Citi is proud to be the trusted banking collaborator supporting FedEx to enhance and digitalise payment experiences for its customers in Asia.

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in partnership with