

# Reliability Matters: A Strategic 25-Year Partnership Made RouteSmart the **Global Route Planning Engine for FedEx**



## Building the Partnership

For more than two decades, RouteSmart has stood beside FedEx through transformation, expansion, and innovation. What started as a vendor relationship in 1999 became a cornerstone of FedEx's logistics strategy. In 2025, that journey came full circle when FedEx officially acquired RouteSmart Technologies. This is a story that goes beyond ownership. It's a story about trust, performance, and scaling a vision.

## Starting With a New Line of Business

At the outset of FedEx Home Delivery in 1999, FedEx faced a challenge: how to make residential deliveries—often unpredictable, voluminous, and widely distributed—work at scale. The answer wasn't just people or vehicles. It was intelligent route planning. RouteSmart's Vehicle Route Planning (VRP) platform became the engine behind that success.

## Scaling Solutions to Grow the Business

From those early days, RouteSmart and FedEx grew together. As FedEx added volume and complexity, RouteSmart kept pace, delivering tools that not only adapted, but anticipated needs:



Daily Route Planning System (DRPS) to optimize stop sequencing.



Work Area Planner (WAP) to forecast and scale for peak time periods.



FedEx Route Optimization (FRO) optimizes more than 100,000 FedEx routes daily in North America. It allows couriers and service providers to adjust for volume fluctuations, dynamically assign stops and reduce miles driven—all while maintaining service-level commitments.

Each solution was designed with couriers in mind—offering visibility, efficiency, and autonomy. RouteSmart became a trusted name inside FedEx stations, not just for engineers, for couriers.

## Return on Investment

**10%+**  
efficiency gain

FedEx originally anticipated a 6-7% efficiency gain from FRO. In practice, the results exceeded 10%—leading to substantial annual savings, according to internal estimates shared by FedEx leadership.



## Weathering the Storm of the Pandemic

When the pandemic hit, FedEx was already running FRO. It became a lifeline. FedEx saw daily stop counts surge and pressure mount across operations. But with a platform designed by RouteSmart and leveraging decades of industry intelligence, they had **visibility**. They had **control**. They had **confidence**.



Kevin Dexter,  
Managing Director, FedEx

**“I don’t know how we would have survived the pandemic without FRO. It allowed service providers to plan with visibility—even during impossible days. It kept the network running... translating to hundreds of millions of dollars saved annually. That kind of return on investment, combined with proven reliability, made RouteSmart the clear choice.”**

## Making the Partnership Official

In February 2025, FedEx announced it had acquired RouteSmart Technologies. FedEx President and CEO Raj Subramaniam described the move as part of a broader mission:

**“This is yet another step on our journey to make supply chains smarter for everyone... to accelerate the deployment of a common route optimization capability for FedEx operations.”**

## Delivering Now and in the Future

**“RouteSmart continues to operate as a standalone brand and our mission remains the same: to serve our clients, listen to their needs, and turn their delivery challenges into competitive advantages.”**

— Larry Levy, President, RouteSmart

This is the beginning of a new chapter—with more insight, more investment, and more intelligent solutions for efficient operations.