Compass

SMART LOGISTICS TO GROW YOUR BUSINESS

FALL 2011

[WELCOME]

Charting a new course with *Compass*

Willkommen! Bienvenue! Benvenuto! Bienvenido! Witaj! Merhaba!

It's my privilege to introduce the first-ever European edition of *Compass*, a magazine for customers like you.

Compass aims to spotlight the value of logistics. In every issue, we will give you an engaging mix of compelling articles, customer success stories and product updates that will help you manage your organisation's logistics effectively and efficiently.

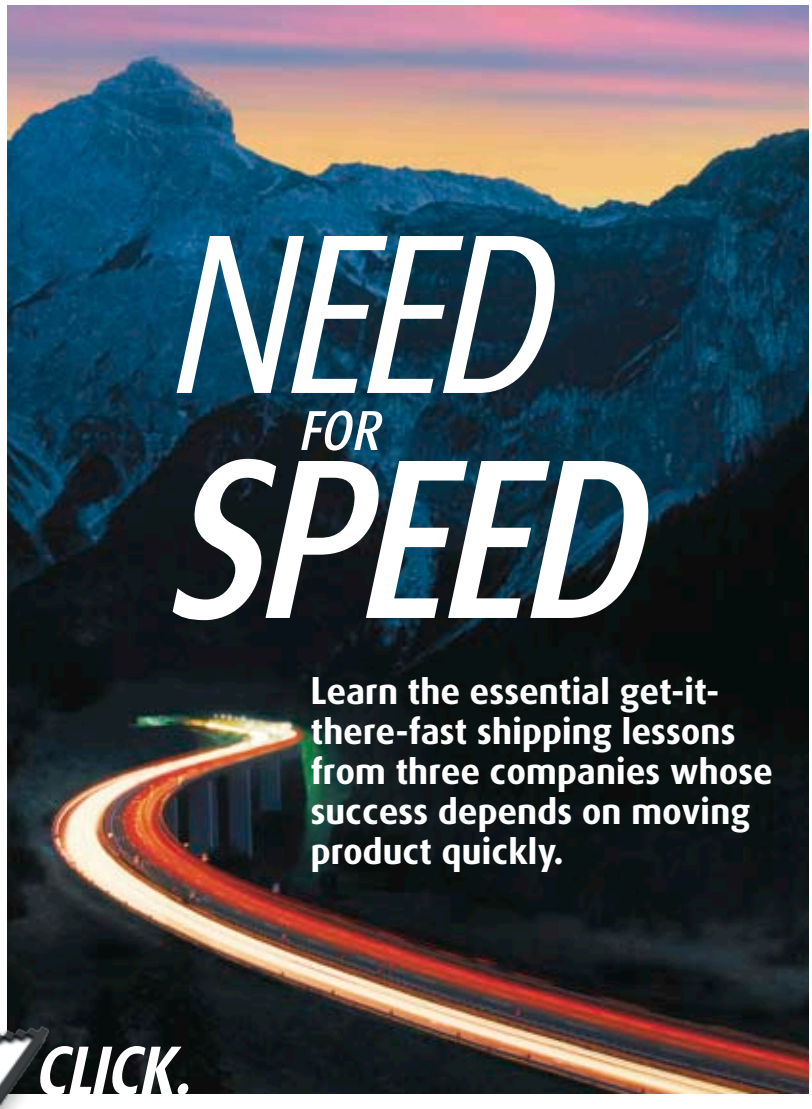
Compass succeeds our former publication, *UPS Forum*, it is an evolution that creates a global platform for communicating with businesses like yours. We're determined to deliver a steady supply of ideas that help you compete from wherever you're reading: the UK, Italy, Turkey or elsewhere.

Where does this *Compass* lead? Our cover story highlights businesses that have a need for speed and shares strategies they learned by teaming with UPS to make sure their shipments reach customers on time. We also offer a second feature article that offers ideas for turning returns into revenue.

With this welcome also comes an invitation. We would be happy to hear from you about *Compass* and about UPS. E-mail your views and opinions to **editor@upscompass.com**.

In the meantime, enjoy exploring all points of *Compass*.

Jim Barber
President – UPS Europe



From the moment your customers click the "purchase" button on your website or hang up the phone after placing an order, they're waiting on you. We live in a culture of instant gratification where expectations can be hard to manage when it comes to shipping.

As never before, a business needs a logistics vision that leverages internal and external expertise, experience and infrastructure to deliver goods on time. Here, three companies share their strategies for swift deliveries – even for the most delicate, perishable and time-sensitive goods. ▶

(Need for Speed, cont'd)

SET UP FOR SEASONAL NEEDS

David Nicely, director of sales and marketing for US-based Sun Harvest Citrus, knows a challenge when he grows one.

"Obviously, we've got a perishable product," Nicely says of the 22.6 million kilograms of oranges, tangelos and grapefruit harvested annually. "The quicker it gets to a customer's doorstep, the better chance it has of arriving in perfect condition."

About 20 percent of the Sun Harvest crop becomes the company's premium product – artfully arranged fruit baskets and boxes. Shipments of gift packages spike during the winter holiday season. In 2010, most of the company's 67,000 annual orders were taken between November and January.

At peak season, a trailer per day (two trailers in the busiest weeks) rolls onto the premises for employees to load. The company's internal ordering system, supported by WorldShip® software, lets staff print shipping labels as they pack the boxes. A customised operations plan bypasses a local shipping distribution centre in Orlando, Florida, speeding the citrus directly to a UPS hub in Jacksonville for distribution.

"People today look for instant gratification," Nicely says. "So the time our logistics planning saves us in transit really matters, especially for orders that go out to faraway destinations."

LESSON: A customised operations plan helps peak season yield peak profits.

SAYING 'I DO' TO JUST-IN-TIME LOGISTICS

The back shop of The Wedding Shoppe in the US city of St. Paul, Minnesota, is a sophisticated, fast-paced operation where thousands of gowns annually are viewed, selected, fitted, manufactured and shipped. Thanks to good relationships cultivated in 34 years of business with dressmakers, wedding-industry partners and shippers, The Wedding Shoppe gets gown orders to anxious brides in eight to 10 weeks compared with most companies, which can take 10 to 12 weeks.

The speed advantage starts at the website; UPS's API (application programming interface) helps retailers and brides calculate costs and specify delivery information up front. "A wedding dress selected online," says James Fritz, owner, "reaches the customer weeks before the wedding, not days."

Brides typically order their gowns far in advance. But weddings can often mean transition – relocations, changes of address, etc. "UPS is really great at re-routing," says Fritz, "and re-routed dresses don't have to come back here to the store, only to be shipped again. An efficient re-route process cuts three or four days out of the process for us."

And for the guys? Tuxedos actually cause as much stress as gowns, Fritz says. That's because grooms often wait to order clothes until a week or two before the wedding.

LESSON: Technology, relationships, re-routing and readiness lead to speed.

PART-ING THAT'S NOT SWEET SORROW

Kai Berg is logistics manager of technical operations at Blue1, Finland's second-largest airline. The company relies on spare and replacement parts for its aircraft at a moment's notice, often from the US.

"An aircraft on the ground is always a situation where speed is a challenge," Berg says. "We try to get our aircraft back into service as soon as possible."

Speed, of course, is the essence of air travel. If a spare part does not arrive on time, flights cancel, passengers fume and revenues fly to other airlines.

Blue1 chooses UPS Express® for parts high in value, irregular in shape and extremely time-sensitive to keep Blue1 in the air.

"When it comes to shipping valuable goods, you need to be able to trust your logistics partner," Berg says. "The key is access to efficient services and advanced online tracking solutions. Those make it easy."

Blue1 can fly high knowing UPS delivers earlier to more countries from the US than any other carrier.

LESSON: A specialised shipping challenge requires a shipping partner capable of meeting specialised needs.

[FIRST PERSON]

Opening doors

"In January, more than 100 boxes of merchandise needed to fulfil large retail chain orders in the United States were held up in China as a result of a new government inspection programme. UPS was able to schedule a meeting with Chinese officials within days to obtain the vital information required to release our shipments and to help us understand how to ensure minimal delays in the future. Without UPS's intervention, we never would have been able to deal with the new process in such a short time."

— Vanessa Merit Nornberg, president, New York City-based Metal Mafia

[COMING IN JANUARY]

A new and improved WorldShip

WorldShip® 2012 will offer a host of new features that will help you ship smarter. This upgrade, available for download on 2nd January 2012, will help you view accurate rates and fuel surcharges. When you process a small package shipment, WorldShip 2012 will display the transit time in days, along with the delivery time for the service you selected. You can quickly compare other UPS service levels to ensure you've chosen the best option to meet your time and budget commitments.

You can already process air freight shipments using your WorldShip system, but the 2012 version offers even more advantages with:

- The ability to initiate air freight shipping from 17 new origin countries.
- A redesigned goods entry screen that lets you search for and validate tariff codes and enter customs document information with an easy-to-use grid to speed processing.
- UPS Paperless® Invoice now allows for electronic filing of commercial invoices for your air freight.

QUICK INSTALLATION You can download WorldShip 2012, starting on 2nd January 2012, from **www.ups.com/worldship**. Installation for current WorldShip users should take about 15 minutes. If you are using WorldShip 2009 (version 11.0) or older, you can get assistance by contacting your local technical support number, which can be found on www.**ups.com**.

[3 REASONS ...]

... TO USE UPS QUANTUM VIEW MANAGE

Customer service representatives. Shipping managers. Accountants. Compliance officers. Who doesn't benefit from full visibility into a supply chain? Quantum View® Manage gives users a comprehensive view of all inbound, outbound and third-party shipments. This web-based application also helps you:

1. **Create the most efficient staffing system possible at your company** – form a just-in-time team you can flexibly deploy as needed, or augment with temporary help.
2. **Pinpoint individual shipments** – head off customer complaints and multiple "where's my order" calls by quickly seeing the location of shipments anywhere in the UPS system at any time.
3. **Proactively know when an unforeseen event delays a shipment** so you can inform customers professionally and as regularly as needed.

Quantum View lets you monitor delivery progress and even customs clearance for multiple shipments in multiple accounts – without the need to enter tracking numbers.

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[BEHIND THE SCENES]

London 2012 and UPS Logistics

As the official logistics partner of the London 2012 Olympic and Paralympic Games, UPS has an active and instrumental role in assisting preparations ahead of this historic sporting event.

The role of UPS is much more intricate than the delivery of items for the London 2012 Games and will include other complex tasks such as supply chain planning, inventory and warehouse management and the intensive logistics required to deliver what promises to be the greatest Games ever.

UPS will deliver 30 million items including 1 million pieces of sporting equipment across 34 Olympic venues. UPS's objective is to get every single item to the right place in the hands of the right person at exactly the right time.

For more information on UPS's global logistics solutions, visit www.**ups.com**.

Questions? Comments? Please tell us!

Your opinion is very important to us. Help us keep this newsletter customer-focused by sending suggestions or comments to **editor@upscompass.com**. Additionally, if you have any article suggestions or would like to see your company featured in Compass as a case study, please give us your contact details, account number and a brief description of why you think your company should be profiled in a UPS case study.

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ECE-en

[SUSTAINABILITY]

Eco-friendly shipping

Companies of all types and sizes are turning to green practices to boost efficiencies and protect the environment. With UPS Reusable Express Envelopes, making your shipping more green is as easy as choosing the right envelope.

Made from 100% recycled fibre and 80% post-consumer content, the reusable envelopes reduce environmental waste. Customers receive and then return documents in the same packaging.

Better for the environment? Sure. But it's also a timesaver. Your customers don't have to look around to find their own envelopes – improving the speed and efficiency of returns.

REDUCE. REUSE.
UPS Reusable Express Envelopes can be ordered online or by contacting your local UPS sales representative.