

Grand Opening

Big things in lots of packages at new Cologne Hub

UPS investment makes Cologne Hub the new centre of Europe

In the news world there is big news, and there is news about big things. The opening of the expanded UPS European air hub is both. After two and a half years of construction and an investment of more than 111 million euro, UPS announced the official opening of the 75,500 square meter facility.

The expansion more than doubles the operating area in Cologne/Bonn to the equivalent of more than ten football fields and automates the express package sorting process with advanced, customized technology. The new building is the largest facility investment outside of the United States in UPS's history and increases the hubs sorting capacity to 110,000 packages per hour or more than 30 packages per second. "Through the Cologne facility, UPS can



now connect the world to Europe like never before," said Wolfgang Flick, president of UPS Europe. This was more than mere words as an additional flight between Cologne and Shanghai was announced on the same day as the opening. An MD-11, one of the largest planes in the UPS fleet, will be used on the route between Cologne

and Shanghai and it will make five trips per week.

"The hub in Cologne is a cornerstone to our network. It allows us to connect Europe to Asia, Europe to Europe and Europe to the United States so it's extremely important to us," said David Abney, President of UPS International.

The new hub brings more than just sheer size to UPS's European operations, it also brings technology. Once packages are unloaded from an arriving plane, they traverse a world of automated belts, scanners and tilt-trays until they are ready to be loaded into containers on an outbound flight. In between those two stages,

the packages travel on the almost 30km of belts in the facility depending on where they are from and where they are going. It takes a total of 1800 employees working at all hours of the day and night in a multitude of different roles to make sure that this complicated operation never hits a glitch.

UPS's air hub at Cologne/Bonn has been the main European gateway for our ever-growing global network since 1986. Along with the Worldport facility in Louisville, Ky., and Asian hubs in Taiwan and the Philippines, Cologne/Bonn plays the central role in UPS's ability to offer customers optimal international service.

Different industries, different solutions

One size does not fit all

It's no surprise that each industry in the world faces its own unique challenges.



For global industries like the automotive and high tech industries these challenges are exacerbated by continuous pressure from competitors waiting to pick out any flaw, any advantage they might derive from another competitor. The good news is that UPS has the knowledge and services to provide just such an advantage.

Working with industry leaders has led us to develop a series of best practices and innovative solutions to problems that dog many companies. For an on-the-road workforce we can

make sure that they know when a spare part arrives at a customer for work. This way they avoid waiting and wasting valuable time. We can help with manufacturing trends like Build-to-Order which are only as good as the delivery process that allows stock to be minimised. Honouring warranty commitments is only as feasible as your reverse logistics are functional. Saving money by manufacturing in China is only a savings if you can get your components and products back to Europe when you need them.

UPS can help you with all of these scenarios and more.

The processes, trends and ideas mentioned above are just a few of the different movements currently underway in manufacturing and supply chain design. Each one of them comes with a small or large amount of what we call 'pain points' or 'pinch points'. They're those moments where an idea transforms from brilliant simplicity on a whiteboard to infuriatingly difficult in practice because of one element or another.

Smoothing those moments, finding a workable solution, that is what UPS does best – whatever the industry. To learn more on how UPS can help you in the automotive industry, high tech industry, pharmaceutical industry or another industry please contact your UPS sales representative.

Case Study

UPS and Imago: Fashionably on-time

The fashion business, like the delivery business, is all about timing



Fashion boutiques across Europe are a fascinating array of colour, where the latest eye-catching fashions vie for the attention of fashionistas and trend-setters. For Imago, an Italian importer of top-of-the-range fashion garments, it is vital to maintain a continuous flow of new and awe-inspiring haute couture items to keep shoppers, and shop-keepers, enthralled.

Imago was founded in 1997 with the goal of becoming a reliable, top-quality supplier of garments directly to boutiques and fashion vendors across Europe. To do this Imago needed one logistics provider who could integrate its freight, customs clearance and package delivery needs into a single process. They chose UPS Supply Chain Solutions to engineer and implement the company's entire supply chain. Final stage delivery is carried out via UPS's

traditional small package network with time-definite delivery. Depending on how urgent the shipment is for final recipients Imago can use a combination of small package delivery options (UPS Express, UPS Standard, UPS Expedited). Because orders arrive promptly and reliably, Imago's customers – boutiques and fashion houses across Europe – no longer have to needlessly hold inventory and can easily change their fashions with the changing of the seasons.

For Imago, the important factor in choosing UPS was not one particular service but the combination of services and expertise available. "Importing from countries in different continents, dealing with specific customs regulations, offering quality control and national redistribution, collecting payment from clients and dealing with returns are just

some of the areas where we needed help. UPS Supply Chain Solutions gave us all this with excellence, reliability and competence in order to make everything run smoothly," said Imago owner Diego Lorenzini.

Imago has grown significantly since its inception almost ten years ago. In that time UPS has provided tailor-made services that could be adapted as Imago grew. Now that it has achieved a significant presence on three continents Imago and UPS continue to work closely together. In 2004 more than 50,000 garments were delivered by the UPS global transport and logistics network to more than 250 stores throughout Europe. From the factory in Asia to customers in Europe the entire distribution process today takes no more than one week.

News of the World

Looking for an experienced employee?

In a company where 25, 30, or even 35 years of service is not uncommon, Marty Peters has at least 10 years more experience than the next longest-serving employee. At age 83, Marty, who currently works full-time as a shifter and centre clerk in the Metro Detroit facility has held a variety of positions during his 60-year tenure as of March 7, 2006. That is a service milestone surpassed only by company founder Jim Casey and UPS's third CEO, Paul Oberkotter.

Look on the bright side

Small and mid-sized businesses in India are more positive about their current prospects than similar businesses in China; according to the 2006 UPS Asia Business Monitor, a survey of 1,200 executives in small to mid-sized Asian businesses. 35% of Indian respondents believe their company's prospects are 'much better' for the coming 12 months than in the previous 12 months.

Going to your happy place...in a friendly way

UPS has been named the official express delivery sponsor of Hong Kong Disneyland as well as the Hong Kong Disneyland Railroad Station and Steam Train. There are no plans at this time to use the steam train for delivery purposes.

We're going to blush...

According to Fortune magazine UPS is the "Global Most Admired" company in the delivery industry. That's a nice feeling but this acclaim is more useful as a reminder that we need to be your "Most Admired" in order to continue being successful. Let us know how we're doing at tellus@upsforum.com.



We want to hear from YOU

Remember – this newsletter is just for YOU! Your opinion is important to us and we'd love to hear what you think of UPS Forum, any suggestions you might have and stories (funny or not) that you'd love to share. Send them to tellus@upsforum.com. What's more, if you know of someone who would like to receive UPS Forum regularly, give us their details and we'll make sure they don't miss out!

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