Ups competes globally with information technology essay sample

Business, Customers

United Parcel Service (UPS) started out in 1907 in a closet-sized basement office. Jim Casey and Claude Ryan- two teenagers from Seattle with two bicycles and one phone- promised the “ best service and lowest rates.” UPS has used this formula successfully for more than 90 years to become the world’s largest ground and air Package-distribution Company. It is a global enterprise with more than 425, 000 employees, 93, 000 vehicles, and the world’s ninth largest airline.

Today UPS delivers more than 15 million parcels and documents each day in the United States and more than 200 other countries and territories. The firm has been able to maintain leadership in small-package delivery services despite stiff competition from FedEx and Airborne Express by investing heavily in advanced information technology. UPS spends more than $1 billion each year to maintain a high level of costumer service while keeping costs low and streamlining its overall operations.

It all starts with the scannable bar-coded label attached to a package, which contains detailed information about the sender, the destination, and when the package should arrive. Customers can download and print their own labels using special software provided by UPS or by accessing the UPS’s computer center in Mahwah, New Jersey, o Alpharetta, Georgia, and sent to the distribution center nearest its final destination. Dispatchers at this center download the label data and use special software to create the most efficient delivery route for each driver that considers traffic, weather conditions, and the location of each stop. UPS estimates its delivery trucks save 28 million

miles and burn 3 million fewer gallons of fuel each year as a result of using this technology.

The first thing a UPS driver picks up each day is a handheld computer called a Delivery Information Acquisition Devise (DIAD), which can access one of the wireless networks cell phones rely on. As soon as the driver logs on, his or her day’s route is downloaded onto the handheld. The DIAD also automatically captures customer’s signatures along with pickup and delivery information. Package tracking information is then transmitted to UPS’s computer network for storage and processing. From there, the information can be accessed worldwide to provide proof of delivery to customers or to respond to customer queries.

It usually takes less than 60 seconds from the time a driver presses “ complete” on a DIAD for the new information to be available on the Web. Through its automated package tracking system, UPS can monitor and even re-route package throughout the delivery process. At various points along the route from sender to receiver, bar code devise scan shipping information on the package level and feed data about the progress of the package into the central computer. Costumer service representatives are able to check the status of any package from the desktop computers linked to the central computer and respond immediately to inquiries from customers. UPS customers can also access this information from the company’s Web site using their own computers or wireless devices such as cell phones.

Any one with a package to ship can access the UPS website to track packages, check delivery routes, calculate shipping rates, and determine time in transit, print Labels, and schedule a pick up. The data collected at the UPS Web site are transmitted to the UPS center computer and then back to the customer after processing. UPS also provides tools that enable customers, such CISCO systems, to embed UPS functions, suck as tracking and cost calculations, into their own Web site so that they can track shipments without visiting the UPS site.

UPS is now leveraging its decades of expertise managing its own global delivery network to manage logistic and supply chain activities for other companies. It created a UPS supply chain solutions division that provides a complete bundle of standardized service to subscribing companies at a fraction of what it will cost to build their own system and infrastructure. These services include supply chain design and management, freight forwarding, customs brokerage, mail services, multimodal transportation, and financial service, in addition to logistic services.

Hired Hand Technologies, a Bremen, Alabama base manufacturer of agricultural and horticultural equipment, uses UPS freight services not only to track shipments but also to build it weekly manufacturing plans. UPS provides up-to-the-minute information about exactly when parts are arriving within 20 seconds.