

An analysis of united parcel service



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United Parcel Service (UPS) is the world largest package delivery company as well as a leader in the logistics and transportation services market. James Casey was the founder of the organization initially naming the business American Messenger Company, based out of Seattle, Washington. UPS delivers 1.8 million shipping customers in 200 countries, in 2009 the company delivered over 3.8 billion packages world. UPS is in a very competitive industry with rivals such as United States Postal Services and Federal Express to name a few. Moreover, UPS has kept the pace of being a globe leader the package delivery industry.

Charter/Mission

United Parcel Service (UPS) Mission Statement states: “As the world’s largest package delivery company and a leading global provider of specialized transportation and logistics services, UPS continues to develop the frontiers of logistics, supply chain management, and e-Commerce ... combining the flows of goods, information, and funds”. What does this all mean to the organization? It means UPS has sought out to be the experts in all areas of operations in the package deliver industry. There are seven companies that fall under the UPS umbrella to achieve its mission statement. The companies have their own unique way of representing UPS mission statement: UPS Mail Innovations runs a high-volume mail service provider giving to their customer efficient and effective way of delivering their mail; UPS Air Cargo is another important link to the organization success in the mail delivery industry making deliveries around world; UPS Capital Corporation primary mission is to focus on how the company addresses the financial needs of the supply chain; Customer Solutions is a consulting

services that offers real-world strategic direction and guidance to large organizations, and governments agency; UPS Mail Innovations is an important part of the organization mission by offering a high-volume mailing service given the consumer an efficient and effective way of delivering mail; Under UPS Freight priority is to give the customer air freight service with high performance standards and is flexibility and an extensive transportation network and efficient systems where a customer freight will be picked up and delivered on time; and finally UPS Supply Chain Solutions UPS who job is to provide the best customer service to company retail consumers.

Organizational Structure

UPS organizational structure is set up by a Management Committee, which is responsible for daily management of the organization. There are twelve focuses that the committee operates from within UPS. Under this structure there is the Chairman and Chief Executive Officer who is in charge of the entire function inside of UPS operation. In this position, the CEO is responsible for the expansions of UPS creating new lines of businesses that will complement the company's global package delivery operations. The Chief Operating Officer who makes monitors all the UPS operations and delivery of over 15. 8 million packages and documents worldwide; TheSenior Vice President of Worldwide Sales and Marketing who is responsible for directing electronic commerce, customer relationship management, customer service and product development; The Senior Vice President of Supply Chain, and Sustainability who is responsible for implementing UPS Corporate Strategy and Engineering functions, and overseeing the company's environmental activities; TheSenior Vice President of Global

Transportation Services manages UPS'S entire intermodal transportation network, which includes the world's 9th largest airline, a surface delivery fleet of more than 100, 000 vehicles; The Senior Vice President of U. S. Operations is responsible for all U. S. operations, which include the pick-up and delivery of more than 15 million packages each day and 345, 000 employees; The Senior Vice President of Human Resources manages a human resources organization that serves more than 400, 000 employees worldwide; The Vice President of Communications and Brand Management who has global responsibility for Public Relations, Employee Communications, and Brand Management; The Senior Vice President of and Chief Information Officer for UPS worldwide Oversees the daily operations of the company and is responsible for the direction of UPS technology investments; The Chief Financial Officer of UPS who is responsible for all activities related to accounting, auditing, finance, financial planning, taxes and treasury; and final there is the Senior Vice President for UPS who oversees the company's legal, compliance and public affairs activities worldwide. Moreover, under each department's leadership UPS has developed an excellent worked environment, building effect teams that have motivated their employees to achieve the organizational objective and goals. UPS operations are running on a highly centralized organization that this focused on an annual business planning processes that are ran from both corporate headquarters in Atlanta and Memphis. In a centralized organization top management retain the authority to make majority of the strategic and operational decision for the company monitoring their department head closely. However, because of UPS organizational structure

of being centralized they can easily apply strategic planning for the company,

Organizational Culture

UPS has instilled in their employees the value of customer satisfaction in the service package delivery industry, believing that success all begins with given employee satisfaction. The company has invested heavily in the professional development of their employees, promoting their employees from within their organization. It is not usual for someone to move up the ranks from a part-time worker, a driver up to the status of manager. Along the career path for amongst employees they pick up on UPS strong strategic planning culture looking ahead into the future for the better of the organization as a whole learning to make decision and investments for the future of the company. The leadership UPS has indentified core values they need in practicing high performance standards, being able to communicate these values throughout the organization. Furthermore, being unionized has had an impact on UPS culture environment creating an environment where all employees have an opportunity to move up the ladder and are treated fairly. Moreover, UPS spends more than \$400 million annually on employee training and development. This has created a culture with low turnover rates and loyalty from the employees, producing an 8 percent turnover rate among employees worldwide. This is due to a unique work environment where a highly diverse group of people with different backgrounds, education, are drawn to UPS culture for success in the company.

Management Style and Philosophy

United Parcel Service has always provided an opportunity for their manager to grow professionally. The company has groups within UPS that supports all their divisions under what they call Business Development. UPS is known for its development of high-quality leadership from its managers, making a commitment in preparing future leaders and encouraging them to learn outside of their area of expertise. Further, an UPS core value system is what has made the company successful over the years. In addition, the course text explains that many companies have developed a core value system that formulates their vision and mission and the ways they operate. This has essentially made UPS the top packaging delivery company in the world. They have implemented a strategic mission to achieve desired from their market shared, which as clearly given their employees the vision and purpose of obtaining and keeping a competitive advantage. Moreover, this has been no easy task for a staff of over 428, 000 employees. However, the end product of the company mission has placed them in the listing in Fortune 500 magazine for the year 2008. A fortune 500 magazine is one of the top American business magazines, who ranks and compiles a list of the top 500 U. S. public corporations based on their gross revenue. This could only be accomplished because UPS management team knows how to treat their employees encouraging excellent professional development practices. UPS placed number 13 out of 1, 109 companies for the best company for leaders in the magazine.

Accomplishments

In their accomplishments UPS has been ranked with the highest average worldwide for being the most Admired for business excellence with an industry score of 8.20 on a 10-point scale. There were only three other companies who outscored them in this ranking. The categories UPS was rated in were their airline, railroad, trucking and logistics companies. “ They are No. 1 in the world for its commitment to social responsibility; No. 2 in the world for management quality; No. 3 in the world for people management, use of corporate assets and quality of products & services; No. 6 in the world for global competitiveness; No. 7 in the world for financial soundness, and No. 9 in the world for innovation.” In addition in the technology area UPS received ranking for being the most innovative in business technology arena. However, they also were listed as the world’s most ethical companies in 2010 in the social responsibility category. The World’s Most Ethical Companies is based on how a company has gone beyond making statements about doing business ethically but actually translate those words into action. These accomplishments are just a few of the awards and rankings the organization achieved in the last ten years.

Alliances/partnerships

UPS’s made a business deal to create a partnership with the NCAA to complement and sponsor their platform to promote their global logistics expertise, cultivate customer relationships and recognize the efforts of our dedicated employees. The strategy for the partnership is to have access to the NCAA’s large fan base, which will assist in their marketing efforts to provide quality service to its customers. Moreover, UPS has formed a

partnership with one of their rival company DHL , receiving their air freight, that DHL will be out sourcing to the UPS in a contract that will be good for 10 years starting in year 2008. This partnership have marketing watchers re-evaluating the entire small parcel market. Further, another strategy for UPS is working with many companies to produce discount rates for having their product shipped through their package service company, Mail Innovations; one such company is called Alibris who received discounts that range from 5% to 25% off the first-class postal rates. Other partnership is with Anne Fontaine, agreeing ship to a network of 700 outlets around the world meeting their tight deadlines. UPS also provides their innovating technology solutions to help Anne Fontaine manage their inventory, maximize efficiencies, and streamline its supply chain. Anne Fontine is well known around the world for their collections of white blouses, jackets, pullovers, fine leather goods.

Stakeholder analysis (who are its funders, customers, beneficiaries, etc. – Who has a stake in the organization’s performance?)

Ups with their state of the art technology logistics operation have many stakes holder who invested and depend on their reliability system to benefits their businesses. An example of a business that depend on UPS is Global Filtration with their routine shipment using UPS Next Day Air Services to deliver parts to their waiting aircraft that may sitting on the tarmac, saving the company money from lost time. The services that UPS provide to Global Filtration and others company is worth their investment into the company because of their dependability. Moreover, UPS is overseen by a board of directors that consist of four different committees: Audit, Compensation, <https://assignbuster.com/an-analysis-of-united-parcel-service/>

Corporate Governance, and an Executive Committee. All this committee's work in the best interest for the investors, making sure that the company is in compliance with NYSE and SEC rules and regulations.

Since the company inception UPS have strived for customer satisfaction and in doing so have become expert in transformation during their growth over the years, becoming a brand name all over the world. When someone states the name UPS there is assurance that quality and speedy service is guaranteed. Their reputation is one of the best in the world for Integrity, employee ownership, customer services and reliability.