



0 Say Can You C: Why Connectivity and Collaboration Make the Difference

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National
Association of
Purchasing
Management

Supply Management 360° Conference







THE WALL STREET JOURNAL.



"Increased trade is essential as we seek to re-establish lost economic growth. International trade creates wealth, supports personal freedom, and promotes international responsibility."

Colin Powell
Secretary of State





Return to Stockpiling





*Our Job is to Create
Expedited, Safe
Global Commerce*





Supply chain

Purchase

mai





Effective Logistics Management

- Reduces total purchasing costs by 20%
- Improves product delivery performance 25%
- Slashes inventories by 50%
- Increases productivity by 15%





Disintermediation



Supplier



Manufacturer



Distributor



Retailer





Reintermediation

Value to
customers

High margins

Complements
core business





Broad Scope of Services

- **Logistics**
- **Financial services**
- **Freight forwarding**
- **Customs brokerage**
- **Mail services**
- **Consulting**



Fritz™
A UPS Company



First International Bank



FINANCING INDUSTRY WORLDWIDE™

POLYSYS®



MAIL BOXES ETC.®



UNI-DATA



Steps to Strengthen Supply Chains

- 1. Create collaborative relationships**
- 2. Invest in technologies and processes that enhance visibility**
- 3. Revamp antiquated trade practices and policies**



Current Situation

- **Transportation is being slowed due to heightened security**
 - **Additional cost of \$20B**
- **Bottleneck risk when economy eventually rebounds**
- **Glut of inventory**



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SEAMLESS SOLUTIONS

TOP-QUALITY BUNDLED SERVICES

CONNECTED

BEST-IN-CLASS COMPANIES



speed

seamless

Supply Chains

responsiveness

integrated





Collaboration





Collaboration and Alliances



- Shared trucking cost savings \$730,000 +



- Each cut inventory carrying costs by 16%



- Reduced shipment time from 12 weeks to 3 weeks



- Decreased inventory from 24-days to 8-hour supply



**Saving
Businesses
\$1.6 Trillion**





Collaborative Supply Chains:

**A Team of Trusted Partners
Working Together in a
Transparent Fashion to Meet
the Needs of a Time-Sensitive
Global Economy**



Trust



- **UPS Logistics Group**
- **Distribution network connects manufacturing centers in Latin America, Europe and Asia with customers in North America**



Ford and UPS Have a Better Idea



- **UPS built a customized solution**
- **Trimmed vehicle transport time by 26% (4 days) in first 12 months**
- **\$1B reduction in vehicle inventory and \$125M in annualized inventory carrying cost reductions**



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Web-Based Commerce

NOBROCLONE

LINEAR

HTTP://WWW.NET
EIGHT

XML



Customs
Pre-Alerts





Customs Pre-Alerts

- **Expedites carrier movements while assuring governments that their border interests are protected**
- **Utilizes collaborative technologies to pre-alert customs authorities while shipment is in transit**



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CUSTOMS





Air



Rights



Air Service Agreements

- **Negotiated on a bilateral basis**
- **Currently undermines national economic stability**

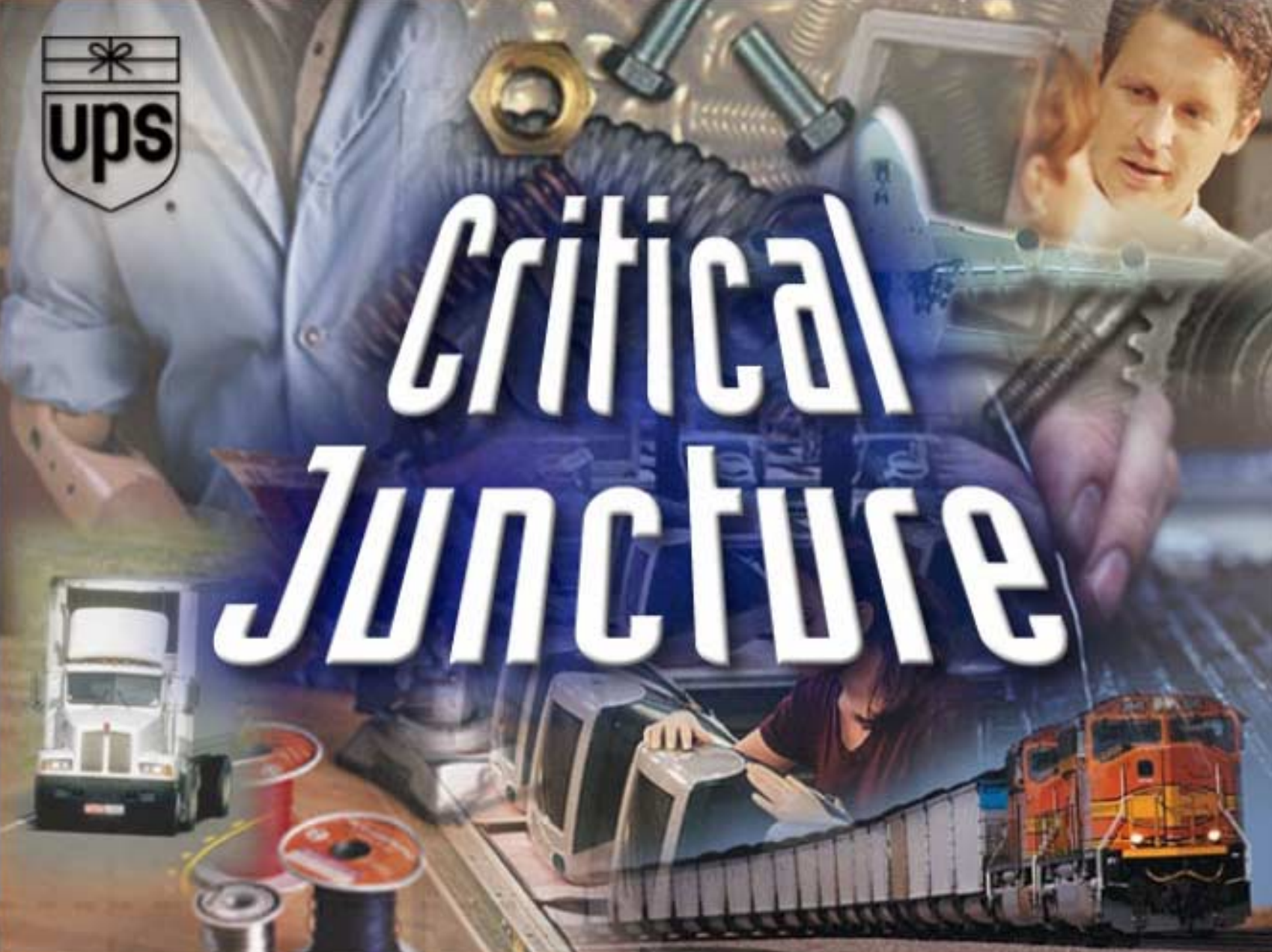


Air Service Agreements





Critical Juncture





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