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UPS Presence Evident Locally And Worldwide

■ By **STACY CLEMENTS**
Staff Writer

An ancient Chinese Terra Cotta Warrior artifact – dubbed the Eighth Wonder of the Ancient World – recently made their way from Shanghai, China, to the Bower’s Museum in Santa Ana thanks to UPS air and ground services. For more than 100 years, individuals, small businesses and large corporations have entrusted UPS to deliver some of their most valuable documents, packages and cargo.

In 1907, two teenage entrepreneurs capitalized on opportunity and, with a \$100 loan, began the American Messenger Company in a Seattle basement. The company quickly grew and adapted to a changing economy, eventually becoming the United Parcel Service. Today, the presence of UPS is evident in the skies and overseas, while its services have expanded far beyond door-to-door delivery. Last year, its revenues totaled \$49.7 billion, and it

employed 425,300 people. “Synchronizing the World of Commerce” now appears next to its logo.

“Our goal is to be a one-stop shop for all our customers’ transportation and logistics needs all over the world,” says Stephanie Dexter, director of transportation and air services for UPS South California District. “We want to leverage our global trade expertise and everything from shipping, brokerage [and] supply-chain management.”

UPS trucks and drivers, wearing the signature brown uniform, have become a staple on the streets of Long Beach, where the trucks are strategically routed with the company’s right-hand-turn philosophy in mind – UPS tries to eliminate left-hand turns whenever possible for both safety and efficiency. Its local presence can also be seen flying in and out of Long Beach Airport (LGB), with 18 inbound and outbound flights per week between its two Boeing-767 (B-767) aircraft.

“Through Long Beach Gateway we service all of the U.S. and



Stephanie Dexter, director of transportation and air service for UPS South California District, began her career with UPS 19 years ago. Prior to her current position, she oversaw the package/sorting operations at the Laguna facility. Dexter says that the company strives to help local communities through philanthropic support. (Photograph by the Business Journal’s Thomas McConville)

every international destination – we service the world from Long Beach,” Dexter says, noting that the aircraft fly to its main air hub in Louisville, Kentucky, and regional air hub in Rockford, Illinois.

The UPS Long Beach Gateway has operated at LGB since 1999, operating two flights daily during normal volume and three during peak times. A recent LGB report shows that 4,321 tons of cargo was shipped between UPS, FedEx and Airborne in April, which is 6.5 percent higher than the same time last year. UPS reported that 586,600 packages were shipped out of Long Beach Gateway in the same month, which equals about 22,000 containers.

Since the first UPS aircraft in 1981, UPS has become the world’s ninth-largest airline fleet, with 268 aircraft. Its B-767 jets can carry up to 129,000 pounds, including capacity for 24 upper-deck containers and seven lower-deck containers, as well as additional storage in the plane’s underbelly.

There are 77 employees who work out of the Long Beach air hub (and 95 local drivers), which also houses a small sorting facility that allows local customers a later pick-up time. But before unloading can begin, employees place cones around the plane’s perimeter as an added safety measure. Moreover, UPS air hub employees follow its self-imposed safety guidelines, which Dexter says are stricter than industry standards. The planes are routinely checked for damage, and something as minor as a faulty container lock is reported.

It takes the crew less than 1.5 hours to unload the plane’s cargo onto trucks and then reload it for the next outbound flight. UPS strives to streamline its operations down to the minute, and new technology allows it to operate efficiently in an industry driven by competition and impacted by rising fuel costs.

With 268 aircraft and nearly 94,000 vehicles, UPS is spending more money filling its tanks, due to increasing fuel prices.

“We’re doing a lot of things to mitigate those costs,” Dexter explains. For example, UPS uses computer-optimized delivery routes and the right-turn policy for ground service. Other cost-reduction strategies include optimized flight routes (using LIDO OC software), engine maintenance and aircraft taxi management for air service. UPS also recently began testing a new flight approach, which differs from the traditional continuous descent approach, where planes use idle power to glide down. This approach reduces noise by 30 percent and emissions by 34 percent; it also saves between 40 to 70 gallons of fuel per flight.

“With our growing air business, and particularly internationally, we’re modernizing the fleet with newer, larger and more efficient aircraft, [such as] the 747-400, the 767 and the MD-11,” Dexter says, noting that the MD-11s, once manufactured at McDonnell Douglas in Long Beach, are converted passenger planes. “These are large, wide-body aircrafts. They’re capable of carrying a lot of packages for a long distance.”

While demand in the global market and e-commerce continues to

rise, UPS is adapting to fulfill its customers’ more complex needs.

“It’s highly competitive and it’s constantly changing and we really continuously strive to develop innovative products and services,” Dexter says. “The world’s getting flatter, and largely due to the power of the Internet and international commerce. And it’s really true in Asia – we’ve seen double-digit growth in Asia for quite a few quarters.” In fact, UPS recently announced two new air hub operations in China – one in Shanghai and the other in Shen Zhen.

With its infrastructure spanning the world, it often delivers packages for some of its competitors, such as the U.S. Postal Service. Even DHL Express U.S. is negotiating a possible 10-year contract with UPS to provide airlift for DHL packages between the U.S., Canada and Mexico. UPS anticipates the contract will provide an additional \$1 billion in revenue.

But the company also works toward environmentally conscious growth. “We’re working very hard to minimize our footprint, and we have the largest fleet of alternative-fuel vehicles – [about] 1,700 are currently in service and we’ve just announced an additional 500,” Dexter says. “Our green fleet has covered 144 million miles and really consists of a variety of technologies. We have hybrid electric, compressed natural gas and propane vehicles.”

In 1951, UPS formed the UPS Foundation to provide philanthropic support to the local communities – this company’s community involvement is what Dexter says she is most proud of.

“Whether we’re delivering packages or volunteering, we’re really impacting people’s lives. UPS has partnered with United Way for over 26 years, and for the eighth year in a row, we’ve led the nation in supporting United Way’s annual campaign,” Dexter says. “In the most recent campaign, our employees corporately contributed more than \$60.8 million, [and] in Southern California that contribution was about \$3 million.”

UPS employees, family members and friends also contribute volunteer hours, she says. The South California District has contributed 8,000 volunteer hours this year, while helping local organizations such as the Long Beach Boys and Girls Club, YMCA, California State University, Long Beach mentoring programs and the Long Beach Community Cleanup.

According to Dexter, who began her career with UPS 19 years ago, the company promotes from within whenever possible. She began as a package handler at the West Coast region air hub in Ontario, and has also held assignments in industrial engineering, human resources and air/package operations.

“UPS has sent me to college and given me so many opportunities within the industry. It’s a great career. It’s a great company. It can shape you as an individual,” she adds. “My outlook on the community and what I need to give back as an individual . . . has really changed, and that’s through years of being with a company that’s so involved.” ■