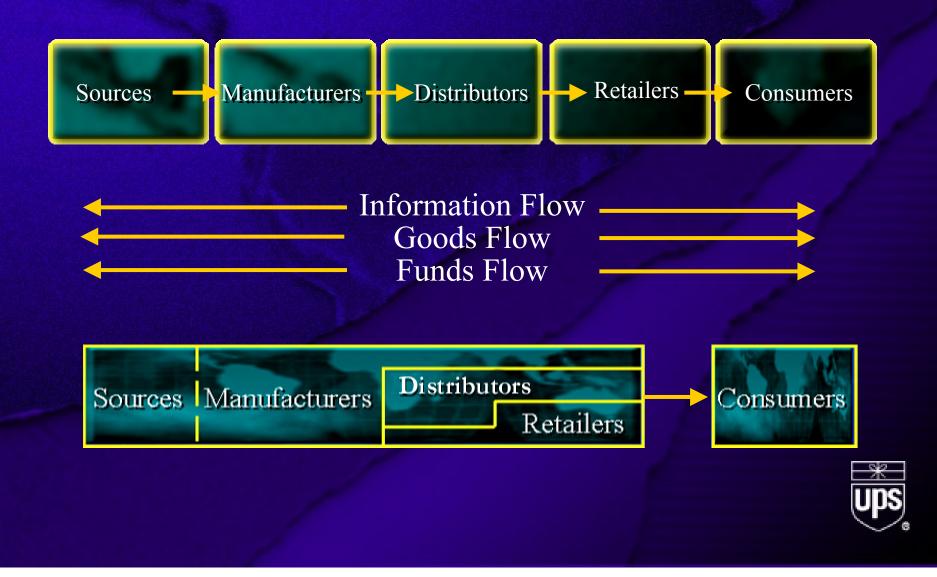
Electronic Commerce at United Parcel Service

Jeff Enyart Director Electronic Commerce Corporate Marketing



Supply Chains Are Being Transformed



Today's Reality: *Making Globalization and E-Commerce Work Together*

• Will require integrated supply chain and fulfillment models

• Will require converging flow of goods and information

Opportunity in funds flow



Three T's of the Supply Chain

•Time--Velocity

Transparency--Seamless
Integration

•Trust--Branding and long-term vision.



If You Have Not Started Where Do You Start?

• Define Yourself Customer Focus Solutions Leverage Process First Integration/Information/Knowledge Collaboration Implementation • Redefine Yourself



Key Focus 6-12 Months

• Build Out Core Solutions: Physical Goods Information Financial • Need Data Warehouse • Need Messaging Need EAI Competencies • Need CRM Process and Technology • Exchanges/Marketplaces



Over the Next 6-18 Months

- CRM Implementations
- EAI Implementations
- Process Experts in Demand
- Brand becomes more important
- Large Corp. will build Large Exchanges
- X2X will be the way to scale
- Low cost of computing means---
- Wireless
- Rocket Trajectory/Derivatives/Event Driven Supply Chains?



Ask Yourself...Do I have a plan for every order?

- Is your customer service equipped to handle end consumers?
- How are you going to handle that order from Dublin...Ireland?
- How will you manage returns?
- What happens when one order includes items from multiple suppliers and one of the items is on backorder?
 - Is your current fulfillment network capable of ups delivering one-to-one Internet sales?