
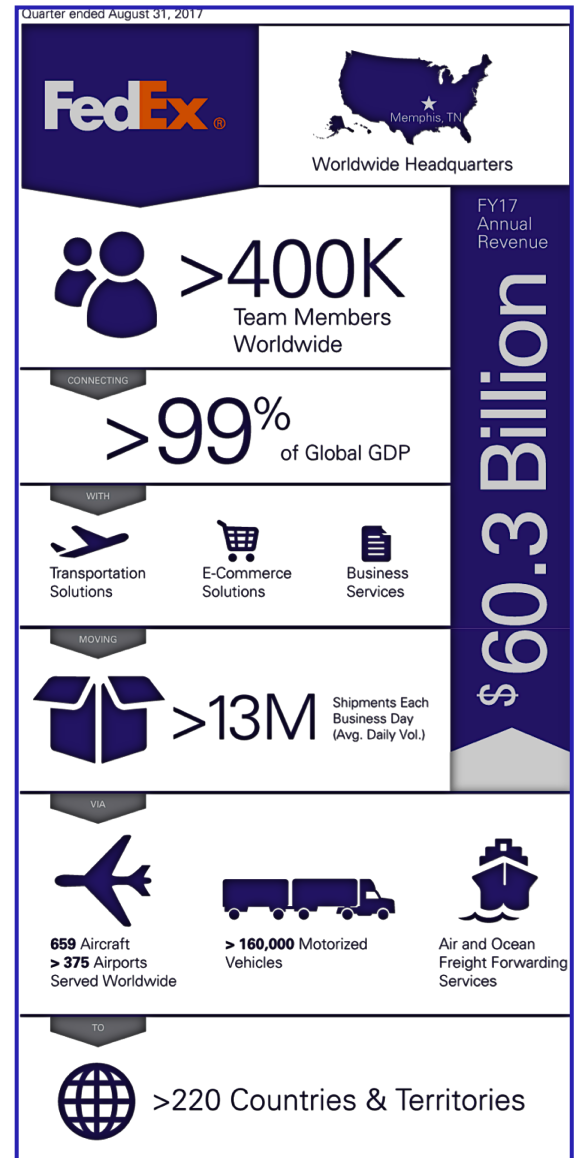


How do they sort and deliver so many packages!

The weeks between Thanksgiving and Christmas will again mark the largest delivery season for UPS and FedEx. Both companies report that they expect twice the usual load of packages to deliver during that period. How do the two shipping giants handle it all?

	
Employees	More than 434,000 globally (350,000 in U.S.)
2016 global delivery volume	4.9 billion packages and documents
Daily global delivery volume	19.1 million packages and documents
Daily U.S. air volume	2.7 million packages and documents
Daily international volume	2.8 million packages and documents
Delivery fleet	Over 108,000 package cars, vans, tractors, motorcycles, including more than 8,500 alternative fuel and advanced technology vehicles
UPS jet aircraft	Own 239
Short-termed leased or Chartered aircraft	297
Daily flight segments	Domestic - 1,077; International - 1,090

Main Global Air Hub = Louisville, KY



World Hub - Memphis, TN

1. How do these two companies compare in size? Please justify your observation.

2. How do they compare in delivery of packages? Please explain.

UPS and FedEx pride themselves on their percentages of on-time deliveries. In fact, that is how they advertise their services to win the competition.

During the holiday rush in 2016, UPS on-time delivery rate fell to 96.3%. FedEx Ground's on-time delivery rate also fell to 96.9%. Both companies report between 98 and 99% on-time delivery rate during their regular seasons.

We weren't able to locate how many packages each company delivered during the holiday season but we did find average daily shipment numbers for 2016.

UPS ships about 19.1 million packages per day, on average.

FedEx ships about 13 million packages per day.

3. Let's assume that the holiday shipping season is one month long. Can you figure out about how many packages were delivered during that holiday season?

4. We hate to think negatively but these high successful percentages of different quantities might really be a lot of delayed packages. Figure out how many on-time and delayed packages these numbers represent?

	Packages delivered during the holiday season	% of packages having on-time delivery	Packages delivered on-time	Packages delivered late
UPS		96.3%		
FedEx		96.9%		

5. Do you think that this is a significant difference? Please explain.

6. What other questions would you like your class to consider in comparing these two giants?

7. Does delayed shipping have to affect you? What can you, your friends, or your family do to avoid being impacted by late shipping of gifts?

Sources:

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