

# The changing role of today's CIO:

## ***An interview with UPS's CIO and Senior Vice President Dave Barnes***

### Leading an agile, responsive and dynamic business

**Mr. David Barnes:** We plan for next year's peak starting right now. So, we just got through peak of '06, we're already planning for next year. So that continual planning cycle sets the framework. Being able to understand and have accurate forecast of demand - 'cause the bottom line, you're going to have to react to demand forecast. You can't be disconnected from that process, you have to be intimately a part of it.

So, we have a well-honed process to define what our peak seasons demand are. What our Christmas season volume is going to be in all the different channels, international, overnight air express, ground, freight, rail.

**Mr. Jordan Colletta:** The way we prepare for the unexpected quite, frankly, is that we - we actually model out things up front. Like, for instance, if you go onto UPS.com right now, I mean, it's always up and there's a lot of applications on UPS.com. There's a lot of information on UPS.com. On the IT side, it's phenomenal, but it's very much like the way we do planning for our operations.

I mean, our volume absolutely peaks, you know, in December right because of the holidays. But our ability to handle that volume happens because we have - we start planning for Christmas, or the holiday season. We start planning for the holiday season in January.

**Mr. David Barnes:** If something changes be it of something in the market place, a competitor's response, a regulatory change, a new evolving technology, a new regulatory oversight issue, you have to have set up in your processes - the ability to quickly identify the change, react to it and implement it. That has to be part of the process. If it's not part of the process, you'll find your processes are inflexible, slow to change. We're in a very volatile world that requires extreme flexibility.

Regulatory oversight, post 9/11, a tremendous change in terms of security for this country and the protection of its citizens and citizens in the world.

That required fleet-of-foot, rapid reaction, participation of UPS with the homeland security groups and others, the ability to manifest those solutions into our processes and our technology.

We have in place those mechanisms, which allow that fleet-of-foot. It's something that has to be built in, designed in. It can't be added on later.



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