Interview: Francisco Ricaurte – Country Manager, UPS Colombia



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Francisco Ricaurte, Country Manager for global logistics provider UPS in Colombia, discusses the importance of the Colombian market for UPS's regional business, while sharing insights on the company's recently opened state-of-the-art healthcare facility.

Mr. Ricaurte, you have been working for UPS for 20 years, occupying the position of country manager for Colombia, Peru, Ecuador and Bolivia for almost two years. What are your impressions on the Colombian market compared to other countries that you are in charge of?

First, Colombia is by far the largest market in comparison to the other countries that I have been in charge of. It is a market of political and economic stability that has been growing and will continue experiencing growth. Even though the growth is currently slowing down, I see a promising future in this market.

Can you introduce our readers to the UPS operations in the region, and more specifically to Colombia?

UPS globally has seven regions, one of those regions is the Americas region to which I belong to. The Americas region is composed of Canada, Mexico, Latin America and the Caribbean. Referring specifically to Colombia, we offer a full portfolio of services, ranging from small package business, import and export, freight forwarding business unit, brokerage service- in which we are ranked in

the top 25 brokers in Colombia, to even owning and operating our own airline, which conducts 15 weekly flights in and out of Colombia. Finally, our contract logistics business unit is in charge of delivering warehouse value and local distribution services, which is also in charge of the healthcare sector. In this regard, we have recently invested significantly to build a brand new healthcare facility in Colombia, which opened in May this year. It is a 70,000 square feet facility featuring temperature monitoring, and temperature controlled areas to safeguard integrity of pharmaceutical products. In addition, the facility also houses a cooler of nearly 2,000 square feet and the freezing chamber for gel packs that are required for transportation.

What are the rationales that motivate UPS's investment in Colombia and what is the importance of Colombian market in the regional strategy?

UPS's global network began tapping the healthcare sector in the early 2000s with an acquisition of the Canadian company, Livingstone Healthcare, which allowed us to make a first step into the healthcare industry, providing our warehousing services. Our continuation strategy relied on our international expansion to different markets in Europe, Asia and America. Nevertheless, we have been analyzing multinational companies that are looking for the high standards UPS is providing and are looking to expand into Latin America. Colombia is the latest country in the region in which we decided to invest. We also have healthcare-dedicated infrastructure in Puerto Rico, Mexico, Brazil, Chile and Argentina. In the near future, we look forward to invest heavily in other markets that fit within our expansion strategy. We have had services for many years in Latin America but our investments are made when the opportunities are identified. Before we invested into Colombia, we conducted extensive market analysis which revealed that we have the infrastructure needed for serving customers in the market that demonstrate growth potential. Currently, we are in the execution stage, which translates to growth in our customer base. Indeed, the facility has been greatly received by our customers who pointed out the highest level of compliance that we provide and needed in the market, which is in line with worldwide standards.

Colombia has been facing many challenges as a reflection of the transport infrastructure gaps that the country still contends with. Additionally, rugged geography and the hinterland location of some of its main cities such as Bogota put it as a logistical challenge compared to some other countries. How are you coping with these difficulties?

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Unfortunately, it is a reality, the Colombian infrastructure remains one of the key areas in which authorities have to place their efforts and investments in order to improve the Colombian economy and allow companies to grow; not only logistics companies, but all the companies. While road infrastructure provides challenges for organizations of all kinds, including us due to our ground domestic distribution, it has minimal impact on most of our logistics operations as we rely mostly on international transportation.

According to Romaine Seguin, president of UPS Americas Region, Latin America is a vital region for the global healthcare industry. To what extent do healthcare-related services stand as a growth market niche for UPS in the region, and more specifically in Colombia?

Healthcare- related services are a priority for UPS, as we have identified many opportunities in this sector based on the market research that we conduct. It resulted in the investment we made this year and the execution that we are currently targeting.

How do you see the life sciences sector evolving for UPS in the region?

It is a sector achieving continuous growth and UPS is committed to help strengthen healthcare supply chains in the region. At the core of how we conduct business within the healthcare and life sciences sector, we strongly follow our mantra of *It's a patient, not a package*. I believe this is essential in the healthcare sector and therefore, it is something our people always bear in mind; from most senior to entry level employees. This links us back to our global platform of being United Problem Solvers.

Last year, UPS announced a partnership with Zipline and Gavi to explore using drones for the delivery of life-saving medicines in Rwanda. Given the fact Colombian landscape consists of geographical areas that are difficult to access, are you considering introducing a similar model to the regional market?

We are currently in the testing stage for introducing this type of technology, however, eventually we might bring it to the Colombian market, as we are putting in place this model in the areas where the need is present and where we have permits to do so. Currently, we are testing drones for the residential delivery areas. UPS is a logistics company compelled to continuous improvement of efficiency; this is relevant as densities for delivery in residential areas are difficult to reach. The basis of the concept relies on launching a drone from the top of a UPS® package car, autonomously delivering a package to a home and then returning to the vehicle while the delivery driver continues along the route to make a separate delivery.

What are some of the innovations offered to better serve the needs of customers?

We will be leveraging some of the investments we have made in technology, such as virtual reality for peaking in the warehouse operations. This technology has been tested in some other areas in the world, however, once it’s fully operationally tested, we will bring those services to Colombia.

The healthcare industry has specific needs in terms of logistics such as time and temperature sensitivity. How are you ensuring to satisfy these specific conditions?

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Our facility provides an area with a cooler that controls the temperature range between two and eight degrees Celsius, as well as a frozen chamber .We offer customized services and tailored solutions to meet temperature-specific customer demands within their warehousing operations. In regard to time sensitivity, our approach is based on the specific requirements of our customers; implementation of our work is based on their needs. Some customers have a 24-hour delivery turnaround time, while others require shorter or longer shipping times.

How do you differentiate yourself from well reputable competitors and what makes you the partner of choice specifically for companies in the pharmaceutical and healthcare sector?

Referring specifically to the healthcare sector, our main advantage is our experience and regulatory compliance. By being a disciplined company with strong values and ethics, we managed to become a loyal partner for each customer. If you keep in mind that you are dealing with a patient, not a package, it is truly driving a difference.

Where do you want to take UPS and what is your objective for the next three years?

My goal is to continue gaining market share in Colombia, particularly in the healthcare sector by driving growth, not only through continued investments, but by linking our customers’ supply chains to our domestic and global network, offering them tailored solutions with gold standards. We are the integrator that can provide air transportation into the country with cold chain and brokerage services for the clearance of their products, as well as storage and domestic distribution. Additionally, our service portfolio has been created to ultimately benefit the customer and help them gain efficiency so they can focus on their core business, while letting us take care of their logistics needs.

On a more personal note, what is the legacy you would like to leave in Colombia before moving to the next professional step?

I want to ensure the customer always comes first; understanding what the customer needs are to tailor required solutions is the foundation of our growth. Finally, I want to make sure our global platform of being United Problem Solvers continues growing in Colombia.

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