

Opening Remarks by Michael L. Eskew, board chair, The Annie E. Casey Foundation and former chairman and chief executive officer, UPS
The Annie E. Casey Foundation's Symposium on the Future of Child Welfare: Game-Changing Innovations for State Administrators
Baltimore, MD
April 7, 2011

Thanks, and welcome. I am delighted to be here representing the trustees of the Annie E. Casey Foundation.

As Kathleen Feely (Case Commons CEO) mentioned, in a former life I spent a career at another Casey organization — UPS. And this evening, I would like to share with you some of the opportunities that we enjoyed at UPS that are similar to the one that you will be exploring tomorrow.

To put this in perspective: In the early 1990s, we were delivering around 13 million packages per day, while expanding and adding new options and services. If you think the Casey Foundation is measurement-driven, I can only say the apple hasn't fallen far from the tree. At UPS, we measure and report everything, but in the early '90s, that measurement at UPS was primarily internally focused and primarily system averages.

About that time, a number of us got together with professors and thought leaders and started to think about the effect of technology, the Internet and the resulting impact called electronic commerce. We were concerned about how this new development would change commerce itself. For us, commerce had always been three distinct, separate movements: the **movement of information, the movement of the goods** and the final movement — the **movement of the money for payment**. We believed that e-commerce would harmonize those three separate movements and turn them into three concurrent flows of commerce, and that this confluence of flows would provide seamless new opportunities for our customers. I could speak for hours about the results, but one of the best analogies that described this effect was: **The Internet and e-commerce make size and location meaningless**. That is:

- They allow small companies (those that operate in their basement or garage) to act and be big because their customers viewing their products on their websites don't know or care where they are or if they are as big as GM or IBM. The customer only knows that this company has a unique product that fits his or her needs.
- At the same time, the Internet allows big companies or big organizations like government agencies to act small and nimble. It allows these organizations (like UPS) to treat each customer — and for us, each package — as if it were the only one we had. In effect, it allowed us to find the needle in the big 13-million-package haystack.

As a result, we were able to transform our company. We moved from a company that diligently, through painstaking effort, measured, reported and acted on how well the “system” was producing — that is, how many total late packages, how many damaged packages, the ratio of employee injuries and system-wide production — to a company that could focus on and evaluate

every late or damaged package and determine where and why, and could evaluate working conditions and unique production. From a company that treated every customer the same (like Henry Ford's car — "You can have any color you want, as long as it is black.") to a company that tailored solutions to customers' unique needs and gave customers their own tools to measure us by.

Averages were interesting and could indicate progress overtime, but the information about the uniqueness of each customer, each package, each employee helped us fix problems at the source, create new opportunities and transform our company.

I tell you this story about the transformation of UPS not to make you better UPS customers, although that would be nice. No, I tell you this story because some of the solutions you will be discussing create similar opportunities for the child welfare system.

We believe it will help move child welfare from a system of averages to one focused on each child in your care. From a system of internal measures that focus on the needs of the agencies, to one that starts from the child level and will result in better outcomes for kids.

And we believe this opportunity is timely and, indeed, necessary. Because at the end of the day, each child in our care deserves the best environment we can give them...to grow up in:

- a nurturing family
- a safe community
- good schools

But more than that, each child needs to know he or she is special. And should expect:

- at least one person who knows the color of his or her eyes
- his or her favorite food
- his or her favorite subject and those that he or she needs help in and
- his or her thoughts, fears, hopes and dreams

Averages will help mark improvement, but one-to-one solutions, such as the ones you will hear about tomorrow, will help us raise children like that needle in the hay stack — like the only person he or she is.

Thank you.