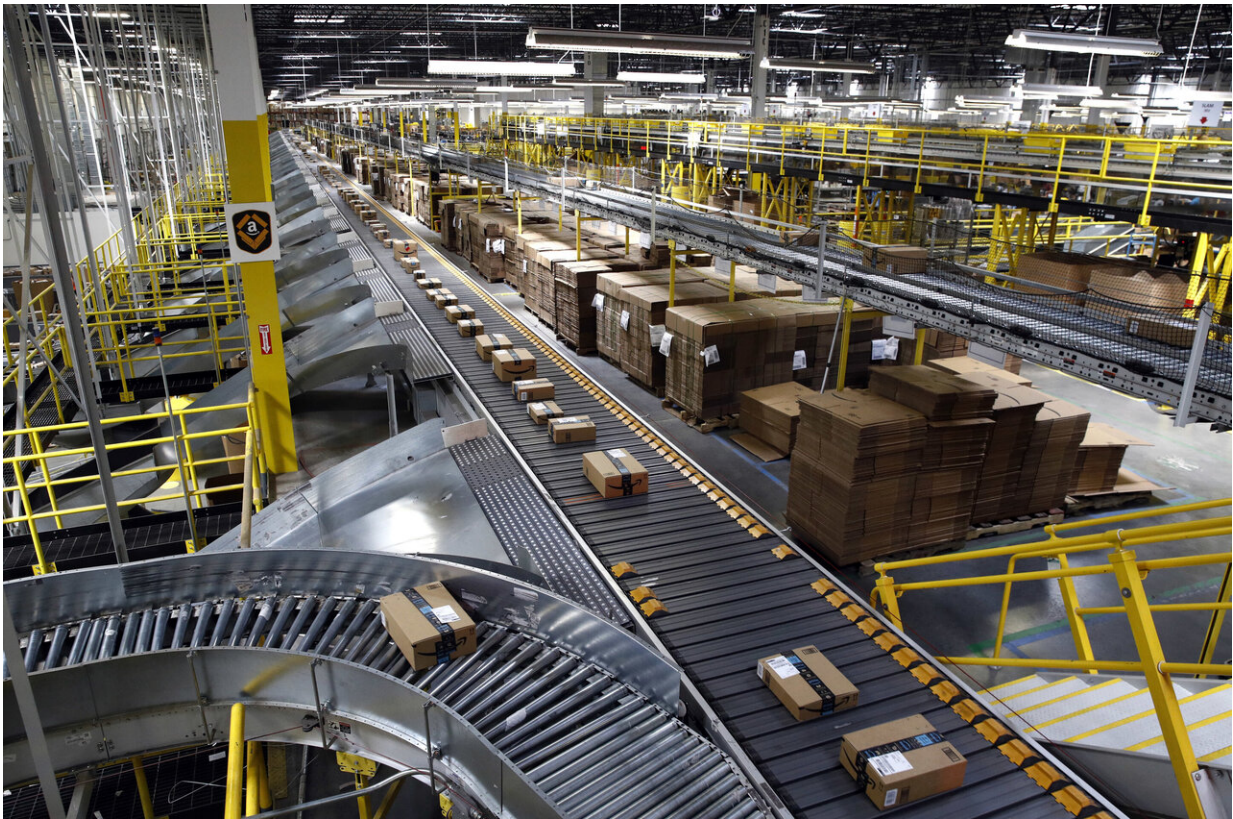


# Amazon offers to help employees start delivery business

May 13 2019, by Joseph Pisani

---



In this Aug. 3, 2017, file photo, packages ride on a conveyor system at an Amazon fulfillment center in Baltimore. Amazon, which is racing to deliver packages faster, is turning to its employees with a proposition: Quit your job and we'll help you start a business delivering Amazon package. The offer, announced Monday, May 13, 2019, comes as Amazon seeks to speed up its shipping time from two days to one for its Prime members. (AP Photo/Patrick Semansky, File)

Amazon, which is racing to deliver packages faster, is turning to its own employees with a proposition: Quit your job and we'll help you start a business delivering Amazon packages.

The offer, announced Monday, comes as Amazon seeks to speed up its shipping time from two days to one for its Prime members. The company sees the new incentive as a way to get more packages delivered to shoppers' doorsteps more quickly.

Amazon says it will cover up to \$10,000 in startup costs for employees who are accepted into the program and leave their jobs. Those who participate will be able to lease blue vans with the Amazon smile logo stamped on the side. The company says it will also pay them three months' worth of their salary.

The offer is open to most part-time and full-time Amazon employees, including warehouse workers who pack and ship orders. Whole Foods employees are not eligible to receive the new incentives.

Seattle-based Amazon.com Inc. declined to say how many employees it expects to take them up on the offer.

The new employee incentive is part of a program Amazon started a year ago that let anyone apply to launch an independent Amazon delivery business and provided \$10,000 in reimbursements to military veterans.



In this Oct. 10, 2018, file photo Amazon Prime boxes are loaded on a cart for delivery in New York. Amazon, which is racing to deliver packages faster, is turning to its employees with a proposition: Quit your job and we'll help you start a business delivering Amazon package. The offer, announced Monday, May 13, 2019, comes as Amazon seeks to speed up its shipping time from two days to one for its Prime members. (AP Photo/Mark Lennihan, File)

The expansion is part of the company's plan to gain more control over its deliveries rather than rely on UPS, the post office and other carriers. It also gives Amazon a way to grow its delivery network without spending the money needed to buy vehicles or hire workers, says Barb Ivanov, director of University of Washington's Urban Freight Lab, a research lab that focuses on logistics and supply chain transportation.

"The wage problem won't be Amazon's problem," says Ivanov.

Overall, more than 200 Amazon delivery businesses have been created since it launched the program last June, says John Felton, Amazon's vice president of global delivery services.

One of them is run by Milton Collier, a freight broker who started his business in Atlanta about eight months ago. Since then, it has grown to 120 employees with a fleet of 50 vans that can handle up to 200 delivery stops in a day. It has already been preparing for the one-day shipping switch by hiring more people.

"We're ready," says Collier.

But Amazon is still far posing a threat to UPS and FedEx, says Beth Davis-Sramek, a supply chain management professor at Auburn University. Those carriers have thousands of trucks and hundreds of planes to get packages where they need to go. And they're doing more than just delivering boxes to doorsteps, she says; they're also transporting packages between warehouses and businesses.

"UPS and FedEx will be just fine," says Davis-Sramek.

© 2019 The Associated Press. All rights reserved.

Citation: Amazon offers to help employees start delivery business (2019, May 13) retrieved 25 April 2024 from <https://phys.org/news/2019-05-amazon-employees-haul-packages.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.