Rolando Medina -Managing Director of Operations, FedEx Express Puerto Rico and Caribbean Region



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Rolando Medina, managing director of operations at FedEx Express Puerto Rico, explains how FedEx Express is positioning itself as the partner of choice for the pharmaceutical industry by investing in state-of the-art facilities, ensuring product integrity through innovative solutions, and proofing operations against potential national disasters.

Rolando, the last time we met was in 2015 for our previous report on Puerto Rico. Could you update our international readers on the evolution of the logistics sector, and specifically healthcare logistics, on the island?

Since 2015, the importance of Puerto Rico as a manufacturing hub of pharmaceuticals and biopharmaceuticals has only grown. Moreover, the expectations of the pharmaceutical industry towards logistics providers have become more sophisticated. Customers are no longer simply looking for a vendor which can transport merchandise from point A to point B, but for a partner dedicated to ensuring the integrity of their products all along the supply chain. At FedEx Express, we have been adjusting our logistic operations to satisfy these evolving needs, both in terms of volume and quality, by investing in additional capabilities and integrating innovative solutions.

As an example, our SenseAware solution allows customers to monitor their shipment’s end-to-end integrity, location, and security in real time. The device measures temperature, humidity, light

exposure, pressure and shock. The customer can pre-set a temperature range and receive alerts if the temperature goes above or below this range. Another one of our innovative solutions is SeaSafe, a container that protects products based on temperature ranges.

What have been some of your most recent activities to improve your footprint on the island?

In February, we inaugurated our new state-of-the-art San Juan airport ramp at the Luis Muñoz Marin International Airport (SJU). The 70,000-square-foot facility integrates delivery, pickup and air operations under one roof, and allows for better aircraft positioning to facilitate on-time departures and same-business-day services. Moreover, it is equipped with refrigerated and temperature-controlled capabilities, enabling us to respond more quickly and efficiently to the needs of the pharmaceutical and healthcare industries. FedEx Express is the only provider with two ramps in Puerto Rico. The second is in Rafael Hernández Airport (BQN) in Aguadilla. We have a large cargo plane in each, a MD-11 at SJU and a Boeing 767 at BQN, performing a total of four daily flights between Puerto Rico and Memphis, where finished products going to the US and international markets are sorted to be transported to their final destination. Puerto Rico also serves as the fulfilment centre for the Caribbean region. Shipments en route to, or coming from, other Caribbean islands like Trinidad and Tobago or the Dominican Republic are transported in our fleet of smaller planes. With these industry-leading capabilities, our ambition is to become the partner of choice of the pharmaceutical sector and contribute to its future development.

Raj Subramanian, President and COO FedEx Corporation, was present during the inauguration of the new San Juan airport ramp, highlighting the strategic importance of Puerto Rico for the group. What makes FedEx Express Puerto Rico such as strategic affiliate?

FedEx Express Puerto Rico is extremely important for the entire corporation. As Puerto Rico is one the largest manufacturing hub in pharma and biotech, it is critical for us to be here and keep up with the needs of the industry. Moving forward, the Caribbean region will be the jewel for FedEx as there definitely is many more opportunities we can leverage.

What opportunities can FedEx Express leverage?

At the moment, the majority of the products we handle are going to the US market. However, there is a lot of potential to increase our business in servicing other markets such as Europe or Asia. In order to take advantage of these opportunities, FedEx Express has made acquisitions in Europe, expanding its footprint in Europe with air freight and trucking capabilities.

Does the fact that pharmaceutical manufacturing facilities are spread out across the island present a logistical challenge?

It is not a challenge because our infrastructure is designed to serve all customers on the island. We are the only logistics provider operating from two different airports, SJU in the East and BQN in the West. Moreover, we have nine locations all over the island. This extensive footprint allows us to serve customers quicker than competitors. We can pick up any shipment in less than an hour and give later cut-off times than competitors. Competitors, on the other hand, have to travel from San Juan all the way to the western part of the island if the customer's facility is located there.

Since Hurricane Maria hit the island in 2017, how has FedEx Express adapted its operations to limit the impact of natural disasters on service continuity?

Hurricane Maria was the first Category 5 hurricane to strike the island in recorded history, and the impact was unprecedented. The widespread power outage knocked out almost all cable service and telephone lines resulting in a communications blackout. Thanks to the dedication and hard work of our employees, we were nonetheless able to resume service to our customers twelve days after the hurricane. We learned our lessons from the hurricane and have put in place contingency plans to ensure continuity of service, in case a similar event comes up. For instance, our service to the Caribbean was impacted because the hurricane hit both our ramps. Today, we have an additional ramp ready in case the same situation happens. We have taken other precautionary measures so that we can resume service much earlier than twelve days in a similar scenario. If it happens again, we will be a lot more prepared.

Singapore became a global logistics hub thanks in part to strong government support. How supportive has the government been towards the logistics industry?

The government has been very supportive and willing to assist in the development of the logistics industry. In the case of FedEx, our expansion at the San Juan airport was welcomed by public officials, and we never encountered roadblocks during the process.

With competitors like DHL and Kuehne & Nagel heavily investing in healthcare logistics on the island, how do you ensure FedEx Express remains the partner of choice for the pharma industry?

While I cannot share the details of our development plans, we are closely monitoring market trends and what the competition is doing in order to remain one step ahead of the game. We will continue to deliver outstanding service and adapt to the evolution of customers' needs in order to cement our position as a one-stop-shop for any logistical solution they might need. We are here to stay.

On a more personal note, you have worked in FedEx Express for nearly 30 years now. What drove you to the company and what defines your loyalty to this company?

My loyalty to FedEx Express is defined by the philosophy of the company: People-Service-Profit. FedEx Express is dedicated to taking care of people, both employees and customers, and emphasizes service over profit. We have highly motivated employees, and many of them have been with the company for over 20 years, demonstrating the attractivity of FedEx Express as a great place to work. Personally, I feel FedEx Express has treated me very well over the past 30 years. The amazing leadership at the company has a lot to do with it.

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