

# fastforward

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## TNT chooses LMS hosted solution

**TNT Express Worldwide Networks – the freighter arm of the express operator – has chosen the Unisys Logistics Management System to manage its long haul air cargo services.**

The carrier will be using the hosted solution for its new B747-400 long haul services between Liège in Belgium and Shanghai, which are due to start in early 2007, as well as on freighter services to Dubai and India. LMS will also be used for air cargo sales within the integrator's European network.

Steve Moore, general manager – air cargo sales for TNT Express Worldwide Networks says that the company chose LMS for its proven track record in the air cargo industry and because the hosted approach meant it could be rolled out rapidly. "We wanted a system which would work from

day one and give us the deliverables that we were looking for," he says.

TNT has its own sophisticated IT solution – Skymaster - for its European air express operations, but for its new long haul services needed a solution that could interface with forwarders and GSAs and cope with heavy freight sales practices such as block space agreements.

"It is a totally different kind of operation," says Moore. "Skymaster is fantastic for our European network, but it is not able to talk to the other parties who will need to be involved in our long haul operations.

*continued on page 2*

## Air France KLM secures with Unisys

**New solution will enable the carrier to identify potential information security risks to its business and to assess the impact of potential problems on its operations, processes, assets and services.**

The BEATO (BENchmark Assessment TOol) has already been implemented by DHL, Panalpina and other forwarders. But Air France KLM is the first airline to choose it and the first organization of any kind to implement the complete solution, including the PLATO (PLAnning TOol) plug-in.

The carrier will be using BEATO as part of its Information Security Maturity Program. "The goal of the Information Security Program is to further expand our

information security process within the Air France KLM Group, ensuring regulatory and business needs are well-balanced between security, risk and cost levels," says Gert Mooij, program manager for Air France KLM Group. "Unisys is able to supply a practical and effective total solution which covers our needs."

Unisys will implement its methodology and tools during a pilot program. They will also train Air France KLM security staff,

*continued on page 2*

## foreword

A few weeks ago, I had the privilege of addressing the TIACA Air Cargo Forum on a panel called "Help. We're drowning in paper!" It was a fascinating contrast of views.

IATA presented their e-freight vision and progress. A Canadian forwarder CEO said that they were on the wrong track. A US carrier CEO said his focus was on getting the content of existing messages right. For my part, I pointed out how we have the technologies to go paperless and most of us experience the benefits when we fly or travel on advanced mass transit systems.

It was a shame that we didn't have more time to discuss as the panel hit on one of the big issues for air cargo – do we have the desire and capability to collaborate in order to move forward, given that no organization has a strong leadership position.

Tied to that is the question of standards. Here, there is a much more advanced communications technology than EDI called XML. My company uses XML extensively for our cargo system clients to talk with other systems. We also use it in Cargo Portal Services to do interactive bookings with forwarders. Sadly, with all the talk of new generation systems, too few technology providers use XML extensively and there isn't an endorsement of standards across the industry.

We did well with EDI and we've shown we can change when driven by Customs. The issue is that we're not seeing what others are doing and we risk getting marginalized as a fragmented industry.

**Christopher Shawdon**  
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## TNT chooses LMS hosted

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We were also attracted by the ease with which LMS could be integrated with process tools which we are using now or might use in the future – for example barcode scanners, warehouse automation tools and RFID.”

Eliminating development costs, removing the need for hardware investment, and thus getting a quicker return on investment and lower IT costs overall, were also factors in the decision to go for a hosted solution. Being web-based, LMS is easy to deploy, and flexible enough to react to the fast-changing market needs of the express industry.

Unisys is providing full support to TNT during implementation and cut over. “We look forward to working with Unisys on this important implementation which will allow us to grow our freight business, using our existing network and the new freighters we are deploying,” says John Batten, managing director – global network and air cargo sales, TNT Express Worldwide Networks. “We evaluated many system suppliers and concluded that Unisys expertise and its proven solution was the best match for us today and in the future.”

## Air France KLM secures with Unisys

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implement the tools, assess and analyze possible business risks and evaluate responses.

As Dr. Gerhard Knecht, director of security in Unisys Global Outsourcing and Infrastructure Services explains, the solution takes a two phase approach to identifying security risks. It first measures how compliant an organization currently is with security rules and policies – whether its own, or those required by external regulation – and produces a security maturity assessment.

The PLATO tool, which particularly appeals to Air France KLM, then allows the company to look at specific risks and what impact they would have on operations, procedures, assets or services within the airline. This information can then be used to improve its security preparedness, and to priorities investments in this area, leading to a more efficient and effective deployment of security assets.

Risks covered by the system include not just terrorism, but a wide range commercial risks which could impact on a carrier’s business. These include data integrity, fraud, privacy and making sure that data is available to business processes that need it.

“For example, company reporting depends on the integrity of data in its systems,” Knecht points out. “It has to be consistent and reliable. If not, the company could end up reporting incorrect results and get into serious trouble with stock market regulators.”

Another example is if the correct information is not available to a booking clerk, or if a reservations system fails. In such cases, initially minor systems failures can turn into high-profile public relations disasters for carriers.

Knecht says that one particularly gratifying aspect of the business win was that Air France had always previously been a loyal customer of IBM.

“It shows that they were very impressed by the functionality that BEATO offers,” he says. “This is a very important win for us, not only in the airline industry, but as an example for other industry sectors.”

BEATO, he adds, “is a 21st century tool that all companies are going to need to have. The airline industry in particular has been hard hit by recently security alerts and safety concerns, and now Air France KLM has the right tools to combat those security risks.”

1/3

of the world's air cargo is processed on Unisys solutions

24

updates per year help Unisys hosted airlines to lead the industry

2,500

forwarder companies see & do business on-line with Cargo Portal Services

95

countries in which forwarders use CPS

25

countries spanned by the world's largest RFID network operated by Unisys

????

think what we could do together



## SAS Cargo joins CPS

SAS Cargo has become the eighth carrier to join Cargo Portal Services (CPS), the Unisys-operated electronic booking and shipment management service.

The carrier expects to be live on CPS in the next few months. Its participation in CPS will give its customers a free, web-based facility to manage bookings and track shipments through a neutral portal.

“We are continuously working to improve our services and products through IT technology,” says Kenneth Marx, president and CEO of SAS Cargo. “We chose CPS to make it easier for our customers to do business with us and to optimize our use of the information which already exists in our IT systems. It is also the only portal that can cover our entire global business.”

SAS Cargo and Unisys enjoy a longstanding relationship. SAS Cargo uses the Unisys Logistics Management System (LMS) and application outsourcing service to manage its air freight logistics operations.

Unisys and the CPS community welcome SAS Cargo since they help to lead the adoption of Internet services in the air cargo industry, especially in Europe.

The other CPS carriers are American Airlines, Air Canada, Austrian Airlines, KLM, Northwest Airlines and United Airlines, while Continental Airlines is in the process of going live on the service. Access to CPS is free for forwarders over the Internet and it is now used by over 5,500 branch offices of 2,500 forwarders in 95 countries.

## CPS forwarders vote for top carriers to join

During July and August, CPS forwarders voted for the carriers that they would most like to join the service in order to book on-line.

The top 20 carriers requested were:

Lufthansa  
Cathay Pacific  
British Airways  
Air France  
Delta Airlines

Korean Air  
FedEx  
Swiss  
Singapore Airlines  
China Airlines

Emirates  
US Airways  
UPS  
EVA Airways  
SAS

Alitalia  
Air China  
Virgin Atlantic  
Cargolux  
Martinair

## LMS carriers pull together for Canadian Customs

Meeting the requirements of the new Advanced Cargo Information program of the Canadian Border Services Agency (CBSA) has been a significant burden for many air cargo carriers this year. For carriers using the hosted service of the Unisys Logistics Management System however, it has been a burden shared.

Through the Unisys Cargo Users Group and its pooled AIRCARE fund for essential system upgrades, Unisys hosted carriers have been able to jointly fund the changes needed, share their experiences in testing the system and avoid duplication of resources.

"I can sum up Delta's experience of the CBSA upgrade in one word – community," says Gary Spangler, project manager, cargo and mail for Delta Air Lines. "We believe in the UCUG community and the Canadian Customs implementation is once again proof that it works."

Austrian Airlines agrees. Peter Fink, senior business analyst at the carrier points out that even with only one route to Canada, it still needed to comply with all the CBSA regulations. But he says involvement of UCUG and Unisys made a stressful process much easier. "It was a very smooth implementation and everyone at Unisys was very helpful in getting it done," he comments.

Unisys was particularly lucky in that one of its hosted carriers is Air Canada, which could use their local knowledge and good relationships with Canadian Customs to smooth the development and implementation process.

"Air Canada was our reference carrier for the project," says Mike Choiniere, the Unisys business architect responsible for Customs. "We worked out the majority of the specifications for what was needed with them and they were the first ones to do certification testing with Canadian Customs."

Spangler too praises Air Canada. "They were diligent in their efforts and the rest of us who ship to Canada benefited from that," he says. "Because of their hard

work and that of the Unisys experts, we were able to complete our certification with the CBSA in a very short timeframe."

For her part, Lisette Schweiger, Air Canada's manager technology solutions and e-commerce, admits that it went through some 20 separate tests with the CBSA and says the process was not without its stresses and strains. "It was a huge change but Unisys did a very good job," she says.

The requirements of the Advanced Cargo Information program were similar to those of the US Advanced Manifesting System in some ways, though there were key differences. One was that Canadian Customs required new EDIFACT messages rather than the Cargo-IMP standard ones widely used in the air cargo industry.

Somewhat different data sets also had to be pulled out of the LMS data repository than those required by US Customs. While US Customs focused on particular Cargo-IMP messages, Canadian Customs required a series of new reports – an air conveyance report for the flight, an air cargo report for all air waybills on the flight, a supplementary air cargo report for house air waybills, and a split air cargo report for any part shipments.

All of this data was to be found in the LMS data repository, Choiniere explains, but it needed to be pulled out and formatted in a different way. The Canadian system also wants to know which ULD a shipment was in, something that the US system does not and, while US Customs needs a report for movement authorization and pre-clearance, Canada has another application entirely to deal with that.

One benefit for the future is that in re-engineering the LMS Customs module to

deal with these differences, LMS has also been equipped to deal more easily with any future Customs requirements from other countries.

"We have moved away from everything following specific country processes to a generic model," Choiniere says. "We have separated out the message generation from the data repository and put the information on it in a standardized form. We have also created triggers in flight processes to say when data needs to be sent to a particular Customs authority."

"That means that in the future, it will be pretty easy to accommodate the reporting requirements of other countries. All we have to do is plug in a new messaging capability to the data repository."

With Indian advanced reporting requirements next on the horizon and other parts of the world including the European Union preparing to follow suit, that is a benefit which LMS carriers will be very grateful for in the years ahead.



Mike Choiniere,  
Unisys business architect

# Air Cargo has the tools to go paperless

Delegates to the TIACA Air Cargo Forum on 12-14 September in Calgary, Canada probably used e-tickets to fly there, smart cards on their local transportation system to get to the airport, and are used to paying their utility bills electronically. So why is the air cargo industry still discussing the potential of moving paperless?

That was the question Unisys was asking during a session at the Air Cargo Forum session entitled "Help – are we drowning in paper?" The company's message to the conference was that progress on IATA's e-freight solution was still too slow and that the best way forward for the initiative would be for IATA to endorse open standards and service providers who use them, share best of breed learning from all participants and drive Customs authorities to deliver value from paperless trade.

Looking at other industries, it is not hard to identify sound business reasons for going paperless. One is the growing demand from shippers for measurable compliance to reduce risk. Recent terrorist alerts have highlighted the pressure from regulators for more data for risk assessment, and more visible controls over cargo processes. Electronic records provide tools for managing this risk that are just not available with paper methods.

Another incentive is the financial cost of processing paper. This includes not just having staff to check and deal with paper documents at every gateway, but rather centralizing that function to a specialist center which may be in low cost area, as happened years ago in passenger ticketing. Finally there are the costs of losing or delaying shipments by not having the right paperwork for regulatory checks.

For example, without a piece of paper shipments are delayed with significant knock-on costs and possible loss of future business. One carrier alone was used as an example having been recently fined \$400,000 by US Customs for not having the right paperwork.

Unisys endorsed the IATA e-freight initiative as the best way to get industry-wide change.

But despite its high profile launch last year,



Tomorrow's winners are redefining the business today



**Document Status for an Air Waybill**

1. Display Documents Required For Shipment

Enter information (Fields are mandatory)

\*You Must Choose One

Carrier: **NW** | Origin: **ORD** | Destination: **NRT** | Airline Code #: **012** | Air Waybill #: **19869253** | House Air Waybill #:  | Special Handling Codes: **Live Animals** | Aircraft Type: **Freighter** | **DISPLAY DOCUMENTS**

2. Required Documents

Document Type	Mandatory or Optional	Document Status	Electronic or Image	View/Print	Approve	Reject
Master Air Waybill	Mandatory	Green	Electronic	⌂	⌂	⌂
House Air Waybill	Optional	Green	Electronic	⌂	⌂	⌂
Export Declaration	Mandatory	Red	Electronic	⌂	⌂	⌂
Live Animals Declaration	Mandatory	Yellow	Image	⌂	⌂	⌂
Shipment Photographs	Optional	Green	Image	⌂	⌂	⌂
Forwarder Supplied Documents	Optional	Green	Image	⌂	⌂	⌂

Document Status Legend: ■ Document to be submitted, ■ Document to be verified, ■ Document verified.

VETERINARY CERTIFICATE FOR DOMESTIC DOGS, CATS AND FERRETS ENTERING THE EUROPEAN COMMUNITY FOR NON-COMMERCIAL MOVEMENTS (Regulation EC No 1980/2003)

COUNTRY of origin of the animal: **FRANCE**

Serial number of the Certificate: **242-201-22446**

1. OWNER/RESPONSIBLE PERSON ACCOMPANYING THE ANIMAL

First name: **PIERRE** | Surname: **SMITH**  
 Address: **42 Rue St. Jacques**  
 Postcode: **42300** | City: **PARIS**  
 Country: **FRANCE** | Telephone: **+33 1 48 22 73 84**

2. DESCRIPTION OF THE ANIMAL

Species: **DOG** | Breed: **LABRADOR**  
 Sex: **MALE** | Coat colour and type: **golden**  
 Date of birth: **14 AUGUST 2005** | Date of packaging:

3. IDENTIFICATION OF THE ANIMAL

Microchip number:  | Date of microchipping:   
 Location of animal clip:  | Date of microchipping:   
 System number:  | Date of microchipping:

there needs to be a detailed business case for participants to implement change and an implementation plan like exists for the successful e-ticketing project.

Unisys believes that such industry-wide initiatives will always have difficulties, because individual companies always act in their own self-interest and there are many participants. By contrast, this approach has worked in other industries and with IATA's e-ticketing drive. The personal computer has been such a success because IBM used standard components and an open software design allowing different organizations to compete. The Internet is also another striking example of where browser technology and XML standards allow a wide range of different organizations to develop their own solutions.

Using the Internet, browser technology and neutral portals such as Unisys Cargo Portal Services, it is not hard to see how a paperless system could be created as Unisys showed. A booking screen could collate information from EDI messages, web entries and scanned paper documents to give full visibility of what documents were needed for each shipment and what documents had so far been gathered.

The system could distinguish between documents that were mandatory and optional at each stage and uploading any paper documents need be no more difficult than pressing a button on a \$300 scanner. A picture of the shipment could even be stored to protect against claims.

Where paper copies were needed they could easily be printed off and making this facility available over the web would ensure that lost documents would be a problem of the past. Such a system would be flexible and adaptable to future change, able to cope as more and more documents switched to being electronic.

The message then, is that the air cargo industry already has the systems, processes and data to go paperless and that IATA plays a key role in fostering open standards and knowledge sharing, driving value from Customs, and in setting the implementation plan for change.

The air cargo industry has no choice: it needs to go paperless for service, financial and regulatory reasons. The tools are there, it is not rocket science, and it would pay for itself. The risk is that the industry remains on widely different approaches that lose the benefit of supply-chain integration. Together though, the potential is to lead the change and secure the long-term viability of the industry.



# discover

## Unisys Global Shippers' Survey 2006

## Unisys Global Shippers' Survey 2006: What major shippers really think

What are the views of major shippers and importers? Are they in favor of one-stop shops? How do they assess the strengths of the integrators versus the traditional forwarder airline chain? Are they about to adopt RFID? What are their views on the impact of new security regulations?

To get the answers to these questions Unisys commissioned a major survey, conducted by Triangle Management Services, of top logistics managers in 52 major intercontinental shippers. The survey was no mere box-ticking exercise, but based on in-depth interviews of 45 minutes to an hour so that respondents had the opportunity to put their views in their own words on key issues.

The interview list included many of the leading customers of air freight and some of their comments are used to illustrate this article.

### Who took part

Respondents had responsibility for intercontinental freight, distribution, logistics or supply chains. About one third had such responsibility globally; others had regional or continental responsibility.

Companies were selected for their high expenditure on intercontinental shipping. On average they had annual global sales of \$28 billion and intercontinental transport expenditures of \$150 million. Air freight represented 40% of that total on average, compared to 39% for ocean lines, 19% for express carriers, and 2% for other modes.

### Shippers don't trust one-stop shops

One of the most visible trends in the forwarding business today is consolidation among the leading players. Moves such as Deutsche Post's purchase of DHL, AEI, Danzas and Exel, or the merger between Schenker and BAX Global are all based on the assumption that shippers are looking for one company that can do it all.

But despite the billions spent on acquisitions, our survey suggests that this trend leaves the leading customers of the forwarding companies cold. Asked if they

expected to move towards a one-stop shop, 70% of respondents said no. Many respondents indicated that they had a specific logistics strategy “not to put all their eggs in one basket.”

A common practice for respondents was to select multiple providers at a corporate level and then let their regional operations select from that list. The rationale for this strategy was not to be too dependent on one supplier. Respondents also said that having multiple suppliers encouraged those selected to constantly improve their services and keep their prices competitive, while a single provider might become complacent.

“A company using a one-stop shop would be very vulnerable if that company went out of business or had problems,” suggests Larry Woelk, consultant for Triangle Management Services, who carried out the survey interviews. “There was also a feeling that no matter how big and global a supplier was, it would not be the best option everywhere. Its operations in a particular location might not be up to scratch.”

The result of this bias against the one-stop shop was that even the biggest shippers still used medium-sized or niche logistics providers who could only cover a limited area or offer a limited range of services. Shippers felt that by focusing on their core competencies, such niche players could deliver a better service, communicate faster, understand their needs better, be more flexible and form a better business relationship.

“If you look at what DHL, UPS and Schenker are doing, it is certainly not what shippers are vocalizing,” says Woelk. “That doesn’t mean that their strategy won’t ultimately prevail or be proved right, but there is no evidence for it yet.”

### The integrators are better at information...

When it came to getting information about their shipments, shippers said that they were more satisfied with the performance of the integrators than of the traditional forwarder-airline/ocean chain. “It was felt that the integrators’ end to end IT solutions were robust, real time, and worked,” says Woelk.

By contrast, while regarding the IT systems as more flexible and user friendly, respondents were unhappy with the disconnections between forwarder and airline IT systems, criticizing forwarders for

their data entry and for their inability to provide data throughout the supply chain.

“Something that was often mentioned in feedback was that the information the forwarder provided at the origin airport did not get to the destination forwarder because the airline did not pass on the information, or the origin forwarder did not put the information in the system in the first place,” says Woelk. “Respondents were certainly articulate on this subject and aware of the incompatible IT systems and disconnected processes of forwarders and airlines.”

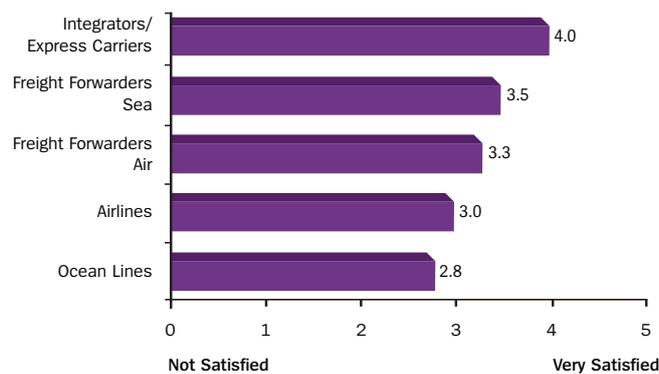
Some comfort for air cargo is that ocean lines were regarded as no better. Respondents said that these, with some exceptions, were “mired in the past,” with

airline chain was more flexible at meeting unusual needs.

This was not just true of bulkier shipments that would not fit into an integrator’s automatic sorting system, but also for some types of urgent shipments. “If you have a shipment for today that needs to be delivered in Paris, the integrators are great,” comments Woelk. “But if it needs to be Customs-cleared the instant it arrives, or you want a guarantee that your shipment be unloaded first off the plane, shippers said the integrators could not accommodate that.”

Having said that, respondents said this flexibility was often spoiled by the lack of IT integration among the multiple participants in the chain.

Satisfaction with Real Time Information Received From...



rudimentary IT provision and a port-to-port mentality. And while some shippers pointed to a recent improvement in port-to-port sea freight information, they still felt there was a lack of visibility on the dockside, particularly at destination. For most shippers, “dockside”

*“When things go wrong, we want to know”*

*“If something goes wrong, we could lose critical time”*

*“There is very poor communication between the airline and the freight forwarder on arrival at destination”*

### ...but air freight is more flexible

The integrators didn’t have everything their own way, however. Shippers generally commented that the integrators were only good at shipments that fitted within their systems, while the traditional forwarder-

forwarder,” comments Woelk.

“This is an area that forwarders and airlines abandoned to the integrators, even though 20 years ago most consolidations were made up of such shipments. Part of the problem was that forwarders and airlines continued to charge for handling and Customs clearance, while the integrators offered an all-inclusive price.”

*“It is cheaper to use sea freight or even express for some smaller items”*

### Shippers deal direct with carriers for ocean but not air – for now

The survey highlighted the different ways that shippers interact with ocean and air freight providers; 46% of ocean freight was shipped directly rather than going through freight forwarders. But for air

### The integrators are sometimes chosen on price

Another interesting finding was that the integrators were sometimes chosen on price as much as speed. “That might sound surprising, but if you want to ship something under 20 kilograms to Chicago, it costs less to move by integrator than by

freight, 99% was moved freight through freight forwarders.

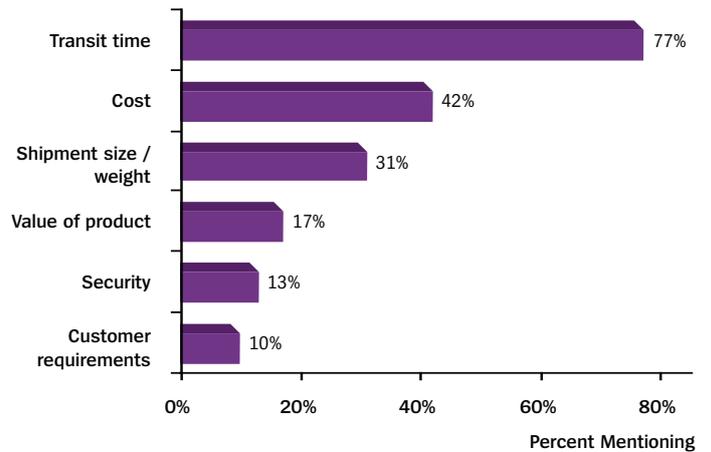
The reason given by respondents was partly that they had always dealt directly with ocean lines and partly that no airline could offer a global service, whereas large freight forwarders could handle shipment from virtually anywhere to anywhere. However, other respondents indicated a desire to work with airlines directly and criticized the airlines for not developing relationships with them.

Perhaps associated with this greater reliance on freight forwarders for air transport (whether desired or not), more of these shippers viewed their air freight forwarders as partners rather than vendors (or as both partners and vendors).

companies ship full containers by sea, it is rare for them to ship a significant number of full air pallets.

One notable exception is the pharmaceutical industry. "There the shippers have very particular temperature conditions for their shipment and as a result there seem to be tripartite discussions between shipper, forwarder and airline," says Woelk.

### Considerations in Choosing Transport Mode



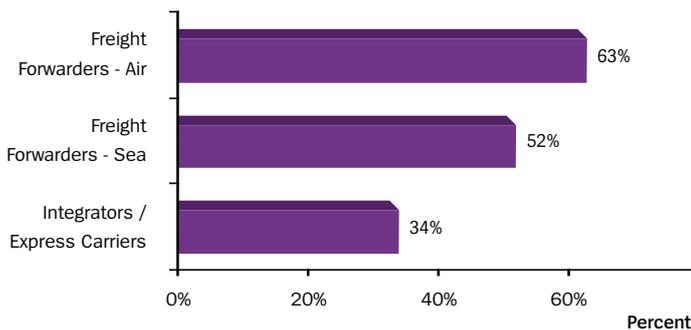
are critical, air freight or express are used. High value products are more likely to be sent by air as they can bear the additional transport costs. Small items can be sent more quickly and sometimes more economically by express. On the other hand, size and weight restrictions can result in the selection of sea freight.

While time was a major consideration in choosing a transit mode, 69% of respondents indicated that for them to increase their use of air transport, it would have to cost less. Fuel, in particular, was a major concern. There was considerable nervousness among the shipping community that the cost of oil will continue to increase and therefore increase the costs of moving goods through the supply chain. This raises the possibility that increased fuel costs passed onto the shipper could divert more airfreight to the sea. Some respondents also criticized the airlines for being less proactive than the ocean lines in cutting costs.

For some companies that have shifted their manufacturing to Asia, air capacity problems during the peak season continued to be a significant problem. There was mixed support for long term capacity agreements which guarantee such capacity in return for commitments at other times of the year, though it was recognized that such commitments could help reduce the capacity shortfall as forwarders and airlines would be better able to predict requirements for transportation capacity.

Despite the cost and capacity pressures, 48% of respondents expected that their use of air freight forwarders would remain

### Percentage Considering Service Provider to be a Partner



Considering their relationships with airlines versus ocean lines, respondents indicated having vastly closer relationships with the latter. Indeed, even those shippers who dealt with freight forwarders were likely to have a relationship with the ocean line. Some indicated that representatives of the ocean lines may visit with the forwarders, but airlines do not do this

"Only two or three of the companies had any relationship with airlines, no matter how much they shipped by air," says Woelk. "In air freight, forwarders are very much seen as the primary contractor, with airlines more behind the scenes."

Reasons suggested for this included that forwarders don't want shippers to have contact with airlines and that airlines didn't want to talk directly to them. Woelk also points out that while many

*"Freight forwarders do a good job...it is up to them to select the airline"*

*"If they accept individual passenger bookings directly, why not freight?"*

*"Freight forwarders won't let us talk to the airlines"*

*"The airlines don't want to deal with us directly"*

*"We are desperate to talk directly to the airline, but could not despite spending over \$70m"*

### Time versus cost drives shipping decisions

Asked how they choose a transport mode, the shippers indicated that speed and cost were key with the decision usually based on the least costly method of transport available that can satisfy the time requirements. Where time constraints

the same over the next three years, as did almost 75% of those who commented on their use of air freight. For both groups, those expecting an increase in shipments about equaled those expecting a decrease.

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*“Use of air freight indicates there has been a failure somewhere along the line”*

*“Fuel prices will have a dramatic effect on the cost of the supply chain”*

*“Ocean lines are working on their cost base by bringing in super vessels: they are more proactive. Airlines aren’t doing anything to reduce their cost base”*

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### Let us know if the cargo will be late

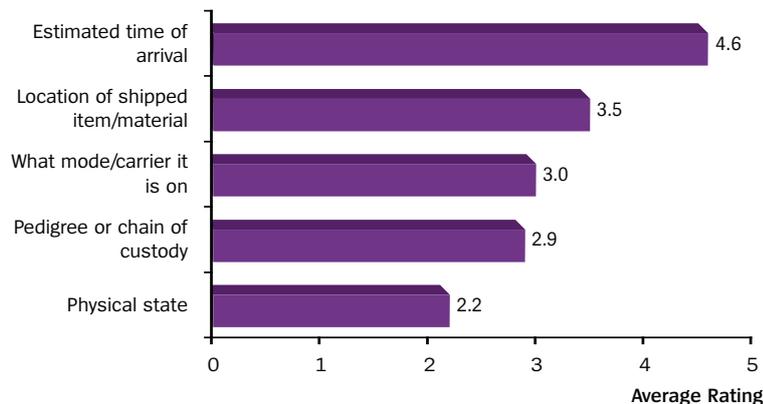
Asked to rate what real-time information would be most valuable to have, shippers overwhelmingly chose estimated time of arrival; it got a 4.7 rating on a five point scale. Other types of information were perceived as less valuable. However, there were some industry-specific differences such as monitoring the temperature of pharmaceutical products.

Respondents did not want details of every shipment however but rather information when a shipment was not moving according to plan. This preference for exception reporting was a theme common to almost every shipper. This approach matches the focus of the Cargo 2000 of airlines and forwarders, though that group was known to only a third of the interview group.

The preferred model for providing real-time transit information was EDI – mentioned by 51% of the shippers. Others desired that information be provided via a central Internet-based portal (26%), email (21%) or telephone (2%).

Many shippers were complimentary about the responsiveness of the air freight chain in this respect, but saw vulnerability in the way information was passed on. Most air freight exception reporting was done manually through emails or phone calls they pointed out, while the integrators had systems that generated e-mails

### Value of Real Time Transit Information for Intercompany Shipments



automatically or populated an exception report if a shipment was delayed or a delivery time not achieved.

### RFID

Respondents reported that only 1% of shipments on average are shipped using RFID tags, though they expected this to increase to 8% in 2007 and 25% by 2009. Some key drivers for the use of RFID were the requirements of Wal-Mart in the USA, security benefits, enhanced temperature control and, for the fashion retail sector, inventory control. On the other hand, legal challenges to RFID, the significant investment required for implementation and the need for widespread adoption and standards were identified as impediments to RFID adoption.

Just over one-third of the participating shippers said customers were pressuring them to use RFID, while 37% said such pressure was coming from internal stakeholders. Just 3% identified pressure from suppliers as a driver.

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*“In order for RFID to be used, everyone in the supply chain would have to adopt RFID technology, and there is not much chance of that in the next three years”*

*“The express carriers can never find anything which is lost. That is why we are looking at RFID”*

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### Anti-terrorism regulations are a worry...

Shippers are aware of the tightening regulatory and security environment and expressed concern that this might slow down the supply chain.

Many interviewees said that anti-terrorism security measures put the biggest pressure on their supply chains, but they were resigned to the fact that security regulations are here to stay and will continue to become more stringent. It was felt that the industry would have to learn to live with more bureaucracy, compliance and paperwork.

Interviewees were evenly divided on whether air cargo regulations were having a greater impact than those for other transport modes, with 53% saying yes, and 47% no.

### ...but IT helps

The vast majority of interviewees (88%) felt that IT helped security. 8% found IT both a help and a hindrance, and 2% said it was only a hindrance. The remaining 2% said that IT had no effect on security.

These interviewees recognized that without the use of IT to process documentation, send notifications, manage accounting and make general communications, the air freight chain would grind to a halt. Some respondents were concerned that IT might provide too much visibility to cargo thieves. This was a minority view, however; for the most part, respondents felt IT helped move shipments through the supply chain faster, and reckoned the faster shipments moved, the less chance there was that something would be stolen.

## Unisys selected for Biometric security systems

Fingerprint scanning and facial recognition technologies will be employed to strengthen border security

Unisys Australia is the latest in a series of wins around security through the use of biometric technologies, having signed a contract with the Australian Government Department of Immigration and Multicultural Affairs (DIMA) for an identity authentication solution.

Unisys will provide DIMA with an identity solution that will be implemented initially in immigration detention centers. Over the course of the contract, biometrics will be deployed progressively to other business processes such as the overseas refugee and humanitarian caseload and the secondary line – where a passenger is redirected from standard entry lines for additional assessment, such as increased identity validation or “watch list” matching – at Australian airports. The new solution, designed to strengthen Australia’s borders, will use facial recognition and fingerprint scanning technology.

“Unisys has played a key role in biometric and identity management projects globally, from ID cards and travel documentation to

border control, voter registration, defense and homeland security, airport and port security,” said Allen Koehn, managing partner, Public Sector, Unisys Australia-New Zealand. “A flexible, scalable identity management solution will help maintain Australia’s security.”

Unisys has implemented similar biometric and identity management solutions for government agencies around the world. Examples include the U.S. Registered Traveler pilot program, the HANIS (Home Affairs National Identification System) project for the Department of Homeland Affairs in South Africa, and the MyKad (multipurpose ID card) project for the National Registration Department in Malaysia.

In July, Unisys also announced that it has been selected to supply, install and support a six-month biometrics field trial for Citizen and Immigration Canada (CIC), which will test the benefits of introducing fingerprint scanning and facial recognition technologies into CIC operations.

Approximately 15,000 fingerprints and facial images will be collected from field trial participants.

## Entering Customs details on CPS is clear

Many customs authorities now ask for house air waybill details. Forwarders are increasingly using CPS to provide those as there's no charge to enter details, they can review and update them and, when finalized, they can be transmitted directly to the carriers and to customs. A new guide to the services is available at <http://tinyurl.com/my2eg>.



# WARRIOR

AIRPORT

## Tech tips for the airport warrior

How would you like to watch your favorite TV programs when you're in an overseas hotel? Watch your own TV and switch through the TV channels to see what's on. Or even watch the program that you've set to record when you left – and then pause it when room service delivers the bottle of malt whisky.

All you need is your trusty laptop, an Internet connection and a new type of box at home such as the Slingbox ([www.slingbox.com](http://www.slingbox.com)). This gadget

'placeshifts' your TV signal through the Internet to your laptop. Your laptop is your screen and your remote control. And best of all, there are no subscription fees.

Does your mail browser sometimes break website URLs? Do they sometimes just get too long? We've found a great solution called a redirector. Yes, the name is nerdy, but the result is very smart.

Go to [www.tinyurl.com](http://www.tinyurl.com), enter any website URL. You'll immediately get back an

abbreviated version that works just like the original. For instance, if you want to look at a previous issue of *FastForward* you could go to [http://www.unisys.com/transportation/news\\_a\\_events/all\\_news/index.htm](http://www.unisys.com/transportation/news_a_events/all_news/index.htm) or you could go to the TinyURL equivalent which is <http://tinyurl.com/fouc6>. Cool isn't it? Why not try it now?