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doingbetterbusiness

By Nol Van Fenema, publisher, Payload Asia

Doing better business was the first theme at the Unisys Air Cargo Conference this October. Hosted as usual in Nice, France, it brought together 60 senior executives from the global industry and focused on the key areas of doing better business, outsourcing, technology and alliances.

Robbie Anderson, managing director Planning & Support of Continental Airlines Cargo, was the first panel speaker to address this topic. After a general overview of Continental Airlines' route network, the fleet (including 18 B777-200s) and the company's cargo division, he presented details of the USPS mail scanning and cargo revenue management initiatives on which his division had worked.

Both initiatives had substantially improved revenues, Anderson said. "Any time we have opportunities within the cargo department to leverage margins and revenues, we get quite a bit of interest at the executive level," Anderson said.

The United States Postal Services (USPS) mail scanning initiative resulted from the fact that USPS was losing

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whenitpaystosaynotocargo

Carrier cargo departments tend to think their business is too unpredictable to benefit from revenue management. Not so, says one of the leading providers in the field.

Air cargo conferences regularly feature at least one session where airline cargo managers complain about how business is unpredictable and impossible to forecast. Forwarders in turn say that they never know how much cargo the shipper will turn up with on a Friday night.

That leads airlines to conclude that revenue management is impossible for air freight. Instead, they scramble to fill their remaining capacity with rock bottom spot prices, causing a vicious spiral of low yields and mutual recrimination about price cutting. But does it have to be like that?

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foreword

IATA's current theme is 'Simplify The Business.' So, in the dynamic business environment that is global visible commerce, how does our industry do?

In terms of collaboration, not well. As Wolfgang Schmitz of Cargo 2000 reports in this issue, that has far to go and the potential to integrate RFID with process control is beyond the horizon for most companies. The TSA reports success with the implementation of the 4-hour rule, but accepts that there is much more to do.

For some, eBooking by forwarders, which is part of IATA's initiative, is working well and we report on one carrier that has passed the key 50% mark.

We report on outsourcing from provider and consumer perspectives. The results show the value, but the unspoken fear is that there are jobs to protect. In this issue we also have views on revenue management from Continental, DHL and Manugistics. Okay, so passenger and cargo are different, but not that much.

The message is clear – if we can't simplify the business and make use of the technologies available, the integrators will happily simplify it around us. Which, of course, is where Cargo 2000 started six years ago.

Christopher Shawdon
VP logistics solutions, Unisys
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doingbetterbusiness

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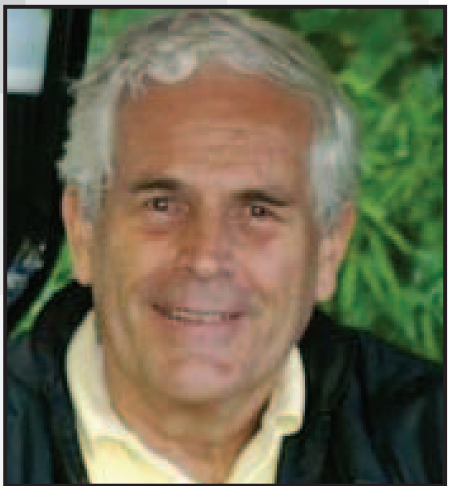

Nol Van Fenema,
publisher, Payload Asia

market share to UPS, FedEx and DHL. It needed to improve service reliability and product visibility in its supply chains. In June 2003, USPS came out with a contract that required the carriers that provided mail carriage, to be able to scan all mail during the various phases from tendering to delivery, as well as provide that information in real-time.

As the mail contract was being shared by several airlines, with a number of them operating in the same US cities, it didn't make sense for each to invest millions in bar-code scanning equipment. "So we decided to write an industry RFP to share the costs" said Anderson.

A few months before the mail scanning was supposed to become operational, some major airlines decided not to bid for the contract. That increased the overall costs for the remaining airlines, which also had a six-month timeframe to put the project together. "At that time, the contract was worth more than US$30 million a year to Continental, so no-bidding was not an option."

"It wasn't really a technology issue as much as it was a process one. So we started out by mapping out what our existing processes were and how they were going to change. It laid the ground work for our technology and operations teams to understand what they needed to accomplish." The result was that Continental developed, implemented and trained people in more than 90 stations across their network in six months. "It was a pretty formidable task," Anderson said.

Turning to Continental's cargo revenue management initiative, Anderson said that flight profitability for a combination carrier depends upon the optimal use of the aircraft belly space.

Like most US major combination carriers, Continental earns less than 5 percent of its overall operating revenues from cargo. However, Anderson said, this metric varies by market. "Obviously we get more from our wide bodies and on international routes, varying from 10 to 15 percent. The goal was to optimise the network contribution and the airline's CRM system, called CargoProf, which evaluates every shipment on a transactional basis. What that means is that we don't take money-losing propositions. We say no to quite a few shipments."

Anderson indicated that Continental's expectation of the system was a 2-4 percent revenue improvement of managed flights. Overall, since the inception of CargoProf in July 1999, he estimated that the total benefit that Continental derived from its CRM system to be over $16 million.

Securing the Supply Chain

As pointed out in the opening address, global shippers need security, and it was Rafael Ramos, assistant director – Program Management of the Department of Homeland Security Air Cargo Division, who brought the delegates up to date on the various initiatives undertaken by the Transport Security Administration (TSA).

Ramos said the division of Homeland Security had adopted a security solution that denies terrorists an opportunity to exploit the system, by using a

Rafael Ramos, Air Cargo Division,
Department of Homeland Security

combination of information and technology-based solutions. "Our mission is to effectively provide a security program without unduly impeding the flow of commerce," he said. He described the approach as a layered, threat-based, risk-management security system. Further defining the words "threat-based, risk-managed", Ramos explained that there are some proponents, especially in the US, for a 100 percent screening solution. He said: TSA does not believe that this is sustainable as it would unduly impede commerce."

Explaining the landscape, Ramos said that in the US there are some 285 air carrier (domestic/foreign, passenger/all-cargo) operators, approximately 3,800 registered indirect air carriers (IACs) – better known as forwarders – and an estimated one and a half million known shippers. He said that the TSA's cargo security programs are carried out by a staff of dedicated cargo aviation security field inspectors. These are supported by generalist inspectors, who cover all aspects of security at 429 US airports.

The TSA's strategic plan is based on four goals, which include: enhancement of shipper and supply chain security; identification of elevated risk cargo


Wolfgang Schmitz, senior vice president of Lufthansa Cargo

through prescreening; identification; technologies for performing targeted cargo inspections; and the securing of all cargo carrying aircraft.

The cornerstone of this is the Freight Assessment Program, which will incorporate elements of the Known Shipper Program, as well as Indirect Air Carrier Program. “These will be combined with shipment-specific data obtained from the carriers to determine the level of risk for each shipment,” Ramos explained.

Ramos said that currently 89 airlines and some 500 forwarders participate in the Known Shipper Program and that the database contains details of some 400,000 known shippers. He suggested that participation in the database probably would have to become mandatory in order for the freight assessment to work. He specifically singled out the freight forwarders where the TSA had noticed a “disturbing” trend of non-compliance. “It is a major concern for us, if cargo is tendered by forwarders from unknown shippers to a passenger carrier,” Ramos said.

Cargo 2000

Before giving the delegates an overview of what had been accomplished by Cargo 2000, the interest group of IATA, Wolfgang Schmitz, vice chairman of the group and senior vice president of Lufthansa Cargo, acknowledged that “to a certain extent” Cargo 2000 has had a rather difficult history.

The program had started in the mid-nineties, bringing forwarders and airlines together to form a joint product, which would be able to compete with those of the integrators. “We found out that there had to be one common platform for integration” he said.

By the end of 2002, he said that the group hadn’t achieved its potential and therefore his business, Lufthansa Cargo, decided that it needed a more structured plan and more resources, or else Lufthansa would pull out of the initiative.

“So at the end of 2002, we took a number of decisions, which included a stop on the work of the second and third phase of the project and concentrate all the resources to bring Phase 1 to reality” he said. Another decision was to agree on a common rollout plan to avoid duplication and waste of resources.

“It was like a snowball, and the idea was to open up the hubs to lanes that had already been certified by Cargo 2000,” Schmitz explained, adding that: Cargo 2000 now had a clear focus. “And by 2006 we will make sure that all major traffic lanes around the globe will be connected to the Cargo 2000 logic.”

“The Cargo 2000 integration of the transport chain means a cultural change, because the common data base represents total transparency to everyone involved in the process from shipper to consignee,” said Schmitz, adding that the result will be just one “truth” on supply chain quality for the shipper.

By the middle of next year, Cargo 2000 will also publish quality figures ranking both airlines and forwarders that meet the agreed quality standards. “Once these rankings come out and are published, it will increase worldwide acceptance of Cargo 2000 standards,”
he said.

During the discussions that followed the presentations, the panel was asked if there were any similarities between the Cargo 2000 initiative and the security measures implemented by TSA. According to Schmitz, “there could have been more cooperation between the groups “if Cargo 2000 as a group had moved faster than it had.” He added that there were on-going discussions between the groups.

Ramos noted that the TSA is identifying a shortcoming in the information for security reasons, while Cargo 2000 wants the information to speed up the process, improve quality, and reduce costs. “Ultimately it has the same effect, but it is astonishing that the shortcomings in information have been identified by two distinct and non-connected systems. It brings to life some of the challenges that we face as a government entity.”

Reacting to the suggestion that there was some apathy in market towards Cargo 2000, Schmitz said that: “the difficulty of this industry is that there are too many people talking about initiatives, rather than acting on them. We need critical mass and we can overcome the inertia by publishing results. We firmly believe that Cargo 2000 is a natural tool to save costs, because every mistake that is not made will save money. Hopefully we will reach a situation where shippers will see and believe in the additional benefits that Cargo 2000 brings. When that happens, Cargo 2000 will almost become mandatory; not imposed by the state, but rather by shippers who will force participation.”

If you would like to download the presentations reported in this article, please e-mail **fastforward@unisys.com**

whenitpaystosaynotocargo

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Ironically the passenger side of the airline business uses revenue management in a highly sophisticated way. The difference is that passengers are buying a standard product – a single seat – and that bookings are taken as much as 300 days in advance. While the carrier has a relationship with some customers, many are just casual purchasers. Many tickets are non-refundable, and so the customer pays whether they use them or not.

In contrast, almost all cargo transactions take place with customers with whom the airline has an ongoing relationship, meaning that most transactions cannot be priced in isolation. Firm bookings are also not made until 12 days before, and in many cases only 48 hours before the flight. Bookings are not for a standardized product, but can vary in density, volume and shape. And most customers do not expect to pay for no-shows.

Despite these restrictions, Anand Medepalli, senior director Demand and Revenue Management at Manugistics, says revenue management can offer a lot to cargo. “Technology is not the barrier – our solutions give you the tools you need,” he says. “The main barrier is belief – to overcome the defeatism that says that it can’t be done.”

The first mistaken belief to be tackled is that cargo flows cannot be forecasted. “In fact, cargo managers must have some data on their markets, otherwise how would they plan capacity or staffing, or give guidance to the stock market,” Medepalli points out. He admits that the data may not be perfect, but says it can still be used for revenue management: “What we say is better to light a poor candle than to curse the darkness.”

One problem with cargo data, for example, is that it is lumpy – that is to say one gets no booking from a customer for several days, or weeks in a row, and then suddenly they turn up with a tonne. “So the data is like a Swiss cheese – full of holes,” says Medepalli. “But there are algorithms to deal with this kind of thing – the solutions are there.”

He also points out that more demand is predictable than airlines tend to think. 80 or 90 percent of cargo flows might in fact come from 10 or 12 customers, leaving only a small proportion that does not conform to a pattern. “If you nail down the 80 percent, you can then focus your efforts on the remaining 20 percent,” he says.

Airlines also have staff with a pretty good knowledge of what to expect from the market – their country managers. The problem is that their knowledge is localized. The manager in Delhi or Singapore can make a satisfactory job of optimizing their own flights to the hub. “But the problem arises when you start transiting cargo, for example through London Heathrow on to JFK,” says Medepalli. “How does the guy in Delhi know that there is not better yielding cargo from Singapore or Europe for the JFK leg?”

The solution to this is, again, not rocket science. Manugistics offers collaborative tools, which combine the forecasts of the various station managers into an overall picture. This then sets a price for the JFK leg that can be fed back to station managers.

Anand Medepalli, senior director Manugistics

A familiar objection at this point is that cargo is a relationship business. Perhaps the lower yielding cargo from Delhi is for an important multinational client: refusing it may threaten business elsewhere. But again, Medepalli says there are tools to deal with this. “If you have a special customer, you can give him a special weight on the system. For example, if the customer is 10 percent more valuable than the average, then you can evaluate his booking request as if he was paying 10 percent more.”

Manugistics, for example, offers two different revenue management solutions. One focuses on the 12 days before the flight, comparing historical data and forecast bookings with actual bookings each night, and producing updated prices for the capacity that remains. This has been in use at Continental since 1999 and is said to have increased the carrier’s revenue by $16 million a year.

Among the advantages of the short term system is that it can be configured to take into account such factors as density, the size of the cargo door of the airplane, the size of available pallet positions, and most importantly the opportunity cost – what more profitable business might be lost if a particular booking is taken. “On density, carriers typically take a ‘per kilo’ rate and charge a bit more for less dense cargo,” says Medepalli. “But without precise calculations, they could be losing a lot of other potential business by carrying that shipment.”

The other solution looks at the medium term picture – over six months or a year, say – and helps the carrier to decide how best to align its capacity and to price its longer term contracts. One customer that has adopted this solution in the past year is DHL Networks Global, the air capacity operation of the express operator. It is currently doing live tests of the system in its European networks, with a view to full implementation shortly. In time, the system will be rolled out to the entire DHL air network worldwide.

Peter Harn, finance director for DHL Networks Global, explains that DHL used to make capacity forecasts based on sales predictions, and then adjust them on a monthly basis. Due to the time definite nature of DHL’s business, it has to carry all shipments once tendered, so that meant automatically adding capacity at whatever price if actual demand exceeded the forecasts on the day.

What the revenue management tool does is enable DHL to look six to eighteen months into the future, and forecast its capacity needs sector by sector, thus helping it to optimize its network and minimize the amount of unused capacity held on standby. It can also look at the yields being generated by shipments on a particular route, not just expected volumes. “So now we can see if it is actually profitable to add an aircraft on a route. If it is not, it may still be in our strategic interest to operate that route, but at least we have the data to make that decision, and can feed it back to our commercial arm,” says Harn.

The tool also gives DHL a much better idea of how much spare capacity there will be on its aircraft that can be sold to forwarders. “It means we can take a more strategic approach to selling that capacity, which has improved yields,” says Harn. “Of course there are still surges in demand on the day, so the forecast is never 100 percent accurate. But it identifies patterns in our business and enables us to predict them better.”

As the DHL experience suggests, as well as optimizing yields revenue management can have knock on effects on other areas of the business. Medepalli points out that predicting cargo flows better can help handlers and other suppliers to plan their operations more efficiently and it can help billing too. A typical situation is that a customer is charged a particular rate – say $2 a kilo – to get his cargo on a particular flight, but is then charged $1.60 because of volume discounts.

With access to revenue management data, the billing department can see why the customer was charged the higher rate, and feedback can also be given to the sales person that made the booking. “You might still have to respect the volume agreement, but at least you can have that information in your accounts and can possibly adjust your behavior in the future,” says Medepalli. “At least you can make sure that you are focusing your sales team on profitable revenue, not just revenue.”

The single most important first step an airline can take, says a Unisys spokesman, is to start capturing their daily performance data from their existing cargo system. This provides the best base for any future justification and implementation of revenue management tools.

Summarizing on the return on investment, Medepalli reckons that solutions should generate ROI within three months of going live, which is about a year into the project. Harn’s timeframe is slightly longer, but says that DHL is already seeing benefits. “We reckon the system will pay for itself in a year or a year and a half. We only need a few percentage points improvement in the bottom line to justify the cost,” he says.

If you would like further details on revenue management solutions, please e-mail **fastforward@unisys.com**.

outsourcing impacts on brand, flexibility and value

By Nol Van Fenema, Publisher, Payload Asia

Does outsourcing drive down costs, and what does it to your flexibility and brand? These were the questions addressed in the second session of the Unisys 2004 Air Cargo Conference this October.

Ludwig Bertsch, executive vice president, Swissport

Swissport

The first speaker, Ludwig Bertsch, executive vice president of ground handling company Swissport, set out some key business trends. Stimulated by world trade growth, he said, cargo is growing faster than the airline passenger business, while the low cost carriers are increasingly driving growth and service evolution. Airline alliances are finally beginning to think about single-sourcing and integrating their activities. The liberalisation in Europe may further change the competitive landscape. And airport operators are seeking new opportunities to mitigate the loss of market share in ground handling activities at their home bases.

As far as outsourcing is concerned, Bertsch set out an increasing trend among airlines to outsource cargo activities away from their main hubs. While driven by costs, he said that quality of service and punctuality also played an important role.

Bertsch argued the case for strong growth among the independent ground handlers. He predicted that by 2006, they would have 40 percent of the total market, airlines 50 percent, and monopoly ground handlers 10 percent. There were significant differences between Europe, the US and Asia however, as the US and Europe were fully liberalised while Asia had mostly regulated duopolies.

The consolidation of suppliers has already begun, stated Bertsch, with the top nine handlers controlling 45 percent of the market. He described Swissport as currently operating at 170 airports worldwide. Although the company has acquired 12 companies in the US, UK and The Netherlands, he said that it continues to seek further global expansion through mergers and acquisitions.

“One industry paradox,” said Bertsch, “is that we have been forced by market dynamics to expand. However, airlines, which are global businesses themselves, continue to deal with the handlers on a contract-by-contract or station-by-station level.” He said that alliance purchasing of ground handling had not really taken off but noted that the world’s two largest cargo alliances, SkyTeam Cargo and WOW, had expressed interest in a joint purchasing concept.

Another paradox is that ground handling is seen as a commodity driven by price. However in order to maintain quality, expensive control structures are then implemented. “The airlines that force us most into price concessions, are the ones that put the most control structures on top,” he said.

He asked why the air cargo industry couldn’t adopt the proven concepts of strategic customer/supplier relationships such as those used in car or computer manufacturing. He warned that the current dynamics of the ground handling market are highly contradictory; that the price and cost cutting measures by airlines will lead to further consolidation; a risk of negligence; and a widening gap between what the parties involved consider as a fair price.

Looking at the partnership between Swiss International Airlines and Swissport, Bertsch detailed the collaboration and pricing models that could form the basis for a partnership. Other models were his company’s pacts with United Airlines Cargo which reportedly has resulted in cost savings of US$100 million, and the five-year partnership with KLM, which among other obligations, included pre-agreed savings.

“Did the carriers receive value for money?” he asked his audience. The answer he said was that “experience shows that outsourcing to specialists not only improves quality – it saves 10-20 percent in costs.”

United

The next speaker was, Scott Dolan, president of United Cargo. He started his presentation by saying that the outsourcing process had been a difficult experience for United. That was not aimed at Swissport or any of United’s other vendors, he said, because it was “as much our fault, as it was the vendors’ responsibility.”

Since United has been in Chapter 11 protection, the cargo division has looked

Scott Dolan,
president of United Cargo

at various options for outsourcing its activities. One was the ground handling at all the US warehouses to Swissport, which was completed in 2004. Another was call centres, which were also outsourced in 2004. Technology and accounting were other options but did not fully materialise, while sales were selectively outsourced to general sales agents, though brand recognition remained an important issue.

Dolan said United's objectives for outsourcing the warehouses and call centres were mainly focused on reducing maturity costs as well as maximising restructuring efforts to exit Chapter 11. Another important objective, according to Dolan, was United's goal of providing best in class service.

Savings throughout last year amounted to more than US$100 million. Dolan said that two areas that could generate further savings were 'running', which is transport from the warehouse to the aircraft which the unions have so far refused to consider for outsourcing, and mail handling, which is also the subject of ongoing discussions with the unions.

The transition of the handling activities to Swissport required a 'very tough' co-ordination, Dolan said, explaining that United staff worked until midnight, after which the Swissport staff took over full responsibility.

Apart from significant cost savings, the warehouse outsourcing generated other benefits including United's ability to fully utilise its warehouses by bringing in third-party work for other carriers and increasing the utilisation of the workforce. He saw further cost savings from transferring mail handling into the warehouses.

"Overall, the savings were tremendous, but the execution could have been better," concluded Dolan. "We just didn't lay out the groundwork well enough." The experience has prompted United Cargo to lay out several improvements in the entire system to be able to differentiate its service levels from competitors and to leverage its network strength.

One improvement program seeks to exceed customer expectations. Called COPPER (Cargo OPerations ProcEss Redesign), it brings together United Cargo staff, United's airport operations, Mercer Consulting and Swissport. It addresses airport operations from acceptance to termination covering freight and small packages. For the moment it is focused on United's domestic hubs but eventually it will be introduced throughout the network, Dolan explained. Ultimately, COPPER will evolve into a continuous cargo improvement programme.

Summing up, Dolan concluded that outsourcing "is a good way to go, but you've got to do it right. You need to clearly understand your business processes as well as why you are outsourcing in order to maximize the benefits. Planning and execution are vital to maximise value and it is the only way you realise all the benefits."

Thang Jiaw Tee, manager IT office
Singapore Airlines Cargo

Singapore

Presenting Singapore Airlines Cargo's perspectives on outsourcing was Thang Jiaw Tee, manager of SIA Cargo's IT Office.

SIA has for several years outsourced IT application development and maintenance, revenue accounting, and maintenance of its frequent flyer program. In the pipeline, are IT infrastructure services, airport services, and in-flight catering, explained Thang.

SIA Cargo operations are mainly outsourced to other divisions of the SIA Group, such as aircraft maintenance, ground handling, IT services, and sales in offline stations. Thang said there are plans to outsource revenue accounting. Overall, the benefits of outsourcing were more or less in line with those of other companies, with cost reductions, focus on core operations, improvement in process quality and access to an external pool of talent as the main benefits.

Attendees at the Unisys Air Cargo Conference, October 2004

Like Dolan, Thang stressed the need to decide beforehand what activities should be outsourced and how service quality can be controlled. He also listed measures to mitigate the risk of theft or misuse of critical company information, as well as prevention of opportunistic price escalation by the outsourcing vendor.

Thang argued that outsourcing at SIA meant finding the right balance between two extremes, i.e. either keeping everything in-house, or outsourcing everything, which was no different from being an aircraft leasing company.

Keeping everything in-house was quite impossible, said Thang, because it would mean excelling in everything at the lowest cost. To decide what activities could be outsourced, SIA Cargo has come up with two categories: strategic activities and generic activities. He said that it would not outsource activities "that will have significant impact on branding, differentiation or future businesses. Outsource other activities, but only if a 3rd party exists that can perform the job better than you."

He made the point that a requirement of an outsourcing company was to be able to scale operations according to changing requirements while maintaining service levels. He also stressed the need to guard sensitive information, and protect against cost increases.

"Avoid transferring bargaining power to your service provider," warned Thang. As examples he cited heavy reliance on service providers for critical services such as Computer Reservation Systems or strategic IT systems, and the difficulty of transiting back to insourced operation when key personnel or heavy investments had been released.

"Finally, do not get locked into a particular service provider; reserve the right to terminate the contract and get the service provider to benchmark price and quality to the industry norms," Thang concluded.

Austrian

After explaining the differences between outsourcing, off-shoring, and business process outsourcing (which delegates the ownership, administration and operation of business processes to a third party), Franz Zöchbauer, vice president of Austrian Airlines Cargo, used the results from a recent survey in the US to explain some of the reasons for outsourcing.

The survey of 165 US companies, found that the main reason for outsourcing was cost reduction. Cost reduction was followed by reduction in capital investment and the need for companies to focus on their core business. Other reasons were the need to increase flexibility, gaining access to technology, turning fixed costs into flexible costs, and the access to needed skills. Surprisingly, said Zöchbauer, the survey found that revenue growth was not regarded as a major reason to outsource.

Zöchbauer said that outsourcing is an established practice in information technology, manufacturing and logistics. As an example, he noted that Austrian Cargo has outsourced its entire IT to Unisys. Austrian Cargo has outsourced its activities to GSAs, especially in a number of Asian countries and had also outsourced road feeder services in Europe. He said that the outsourcing of human resources, product development and procurement are at early stages. He predicted that outsourcing will grow as cost pressure increases and as his and other companies focused on core competencies.

In selecting an outsourcing company, Zöchbauer concluded that the selected company needed to be substantial. "I would not outsource my entire IT operations to a company with five people," he said. It had to possess the right skills and it needed to understand his business.

The summary of the session was that outsourcing requires specialist expertise to deliver effectively and very detailed planning and coordination to implement well. When done well though, the benefits are widely recognized.

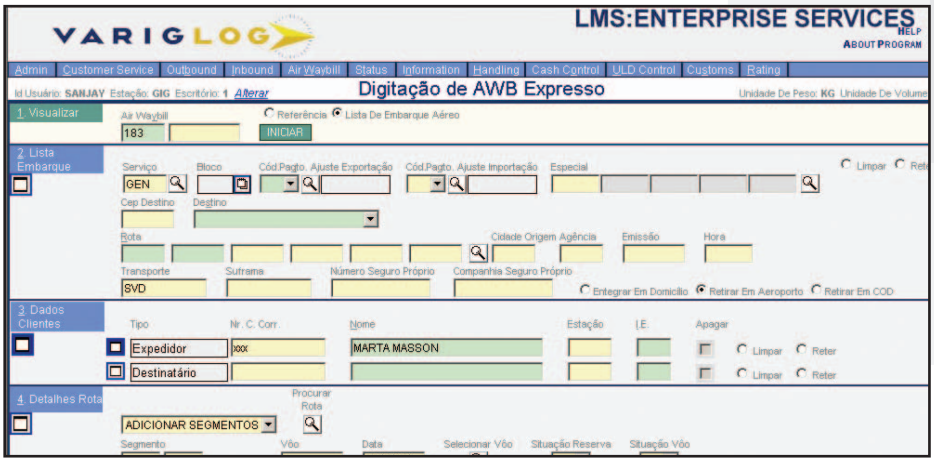
If you would like to download the presentations reported in this article, please e-mail **fastforward@unisys.com**

LMS goes all Chinese, Portuguese...

The call centre staff of one major airline faced a big problem when they moved to the Browser User Interface of LMS. Everything was in Chinese.

A phone call and two minutes later, because it was a web browser, everything had been changed into English and everyone smiled.

This multi-lingual capability of the Logistics Management System BUI allows individual users or groups to choose the most suitable language. For instance, Varig Logistica uses Portuguese for their domestic staff, franchise operators and customers and English for the rest of the world. The BUI supports both Western and Asian character sets for the web page labels, rollover help, and error messages.



Taking things a step further, it can also generate printed documents such as air waybills, manifests and booking details in the most suitable language for each individual.

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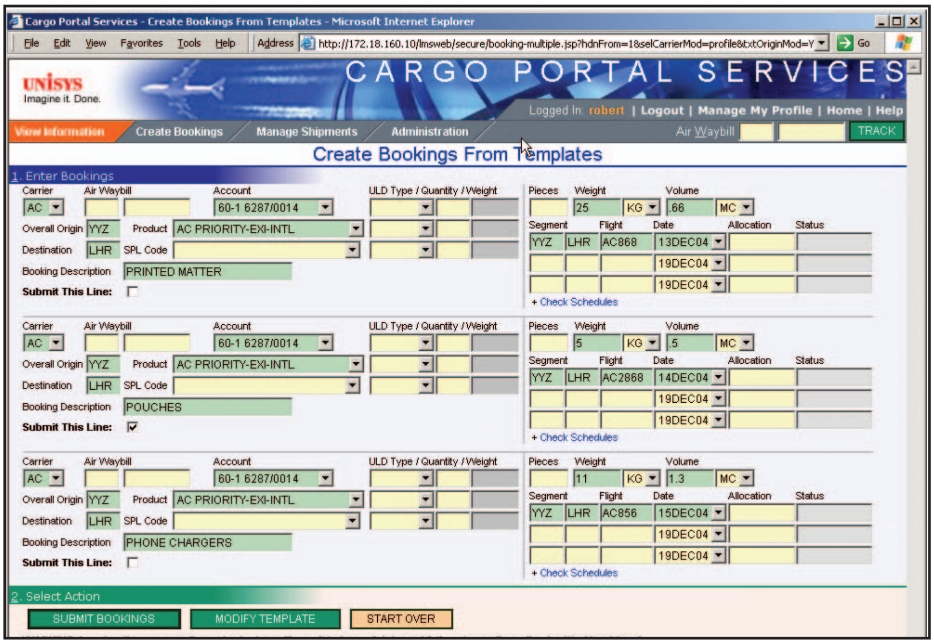
new regular booking service makes light work

A free new service has been launched on Cargo Portal Services that gives users an easy way to submit their permanent or recurring bookings.

Created in response to feedback from forwarders and called 'Template Booking,' the service stores the details of regular bookings for individual branch users. These details can be modified or retrieved and used to create live bookings with the minimum of data entry. It supports multiple bookings in a week and for a route and works across all CPS carriers. Confirmations of each booking or segment are then displayed on-line. The service has been operational since October and a demonstration is available from the CPS home page.

www.CargoPortalServices.com



customstoremainkeyfocusforUCUG

A productive meeting of the Unisys Cargo User Group (UCUG) in Nice in October set the 2005 development priorities for the Unisys Logistics Management System used by members.

A key focus of the discussions was the need to meet the increased security requirements of Customs authorities around the world. After adapting to the demands of the new US security regime in 2004, it was agreed that Canada would be a priority for 2005, with a new LMS module to be created to meet the regulations anticipated in 2005.

UCUG chairman Venky Sanjeeva, who is manager cargo systems at Northwest Airlines, explains that while many elements of the US Customs module can be adapted for Canada, it will use different communication protocols. He expects Customs requirements to remain an important focus for UCUG in the year ahead. “Many other Customs authorities are talking about new security regulations, but most have not set deadlines yet.”

Another key priority agreed by members was to improve LMS’ allotment functionality. “We want to revamp the entire way allotments are created and managed to make it more user-friendly,” says Sanjeeva. “Currently there are many different ways to manage them, and we want to simplify this. Also the error messages that are generated don’t always tell you how to fix the error, and we want to change that.”

The meeting heard a Unisys presentation on Business Blueprinting, a new way of approaching software projects that allows the implications of changes to be mapped out in advance. “There was a lot of interest in using this for UCUG projects,” says Sanjeeva. “We are interested in anything that helps us better manage costs for projects funded by the community AIRCARE fund.”

The meeting was also given an update by IATA on various projects including its XML working party, and heard a presentation on the Document Management Service as featured in the last issue of Fast Forward.

The next UCUG meeting will be 13-15 April in Hong Kong and prospective members are welcome.

Unisys Cargo User Group

UCUG attendees. Left to right and front to back: Supachai Keowsiri; Lisette Schweiger; Maria Kruse; Kim Larkin; Joan Blomsterberg; Claus Ringby; Bill Acheson; Tom Zurick; Christopher Shawdon; Venky Sanjeeva; Gary Spangler; Peter Fink; Thomas Bernardy; Takashi Mori; Kenshi Kijima; Erik Meijer; Tony Robertson; André Forest; Gary Moerke; Noaki Ito; Takashi Morinaga; Makoto Masuda.

newES7000serversofferbestofbothworlds

Companies now have an easy way to make the transition to the newest generation of Intel Itanium 2 processors, in the shape of three new additions to the Unisys ES7000 server family.

Using 64-bit processors, versus 32-bit ones, the new servers can offer much faster performance and support up to 512 gigabytes of memory. “It is like the difference between a single engine plane and a supersonic jet,” enthuses Richard Huhn, Unisys senior manager for ES7000 platform marketing.

One of the new servers in particular – the ES7000/460 – is ideal for companies that wish to benefit from the new technology right away. It can run 32-bit Xeon processors alongside Intel’s new 64-bit Itanium 2. That combination can give clients the value of 64-bit computing for the database even though their applications might still be 32-bit,” says Huhn.

64-bit applications are predicted to proliferate within the next three to four years due to their superior performance and power. SAP has already created 64-bit modules for its enterprise software, and the technology is also being used for business intelligence and database applications in high-volume, mission-critical applications.

Unisys launched its first ES7000 Itanium 2-based server two years ago, the first server vendor to offer such a product. These new models complete the company’s ES7000 server family which offers entry-level, mid-range and high-end options.

“The new servers are simply a much more powerful engine for your computer applications,” says Huhn. “The pendulum is swinging to 64-bit, and this is a chance for organizations to get a head start.”

zeroto50%ebookingin22months

Northwest Airlines Cargo reported that it had received the majority of its November bookings through Cargo Portal Services. Jim Friedel, president, said "our freight forwarder customers appreciate the benefits of booking and tracking shipments online. E-booking helps them reduce costs and increase service by minimizing paperwork, eliminating multiple phone calls, and accelerating their business processes. NWA Cargo's goal is to eventually have 100 percent e-booking because it benefits both the carrier and the freight forwarder."