



Kale Logistics

Technology that Transforms



# ClearView

*A Kale Thought Leadership Summit for Air Cargo*

Athens, Greece | July 2017

2nd Edition

## Key Excerpts from the Summit





## Synopsis

The global scenario is calibrating its course to provide the much needed impetus and encouragement to the air cargo industry. Surge in e-commerce, changing trade policies and support of governments across the globe has encouraged industry players to accept the responsibility of taking the industry ahead. As technology driven systems are slowly replacing the legacy systems and paper based transactions, the process of streamlining, exercising control and driving transformation across the air cargo domain has begun. However, the industry is still struggling to stay at pace with the increasing demands of infrastructure, man-power and automation that have resulted from the changed industry scenario.

The air cargo industry is surrounded by multiple stakeholders and intricate operations that are interlinked across the stakeholder network. While improving cargo handling efficiencies at the airports, though operational competency is crucial, it is equally important to provide enhanced services to Airport customers viz., Airlines, Forwarders etc. Airport- GHA (Ground Handling Agents) and Airport - Cargo Terminal Operators (CTO). In order to harbinge the optimisation across air cargo domain, it is crucial for the fraternity to undertake collaborative efforts that would enable exchange of innovative ideas and drive best business practices. To initiate this transformation, a system that provides a platform for all air cargo stakeholders to interact and transact simultaneously is essential. With that, a sustained and combined effort to discuss, debate and form strategies around how to drive transformational changes to the air cargo industry is a must. This dual point approach is imperative to drive and ensure constant efforts towards an informed and positive change in the industry.

With this realisation, came the genesis of 'CLEAR VIEW' summit for the thought leaders to share their experience and expertise around a focused discussion. CLEAR VIEW is a 'by invitation only' gathering where top air cargo domain leaders from across the world meet, not just to discuss issues, but also to identify practical solutions. The focus is not adherence to an agenda but to exchange thoughts and key learnings that can potentially drive value for the future of cargo handling industry.

CLEAR VIEW promises to be a focused leadership conclave on the air cargo handling industry and cargo management operations with four powerful sessions focusing on the potential of the cargo trade and the operational subject matter. This year's summit too is designed to benefit air cargo stakeholders and their ecosystem with an intent to raise discussions revolving around innovations in air cargo, key performance indicators for the air cargo sector, the model shift and its repercussions; the impact of ecommerce across the sector and the application of Uber's business model to the air cargo industry.

The inaugural edition of CLEAR VIEW that took place in Dubai 2016, garnered very encouraging response. Industry leaders participated wholeheartedly and many practical solutions were bread. This year too, we recreated the success. Several actionable insights from the summit are captured in this report which are being shared with all participants and other industry luminaries for bringing speed to planned actions. We welcome industry leaders to join the Action Groups and stay connected for CLEAR VIEW Summit in 2018 next year.





# Vipul Jain

Chairman, Kale Logistics Solutions

Our industry is going through its challenging times and increased opportunities. We have seen the pendulum swing from globalisation to protectionism. Major economies are doing well. Digitization is the new buzzword in the industry. Industries are racing to migrate their analogue processes to customers, products, services, operating models and transform them into models that are always on real-time and information rich. Many business leaders are redesigning their capabilities and operating modes to take full advantage of the digital technologies that are available today.

One of the most distinguished feature of the logistics industry is that in the process of moving a shipment from point A to point B, there are so many parties involved. There is probably no other industry where there is so much dependency on partners in a value chain. Each partner whether large, small, global or local is carrying out different functions. So the question remains, 'how well are we connecting this eco system?' The other distinguishing feature about the logistics industry is the amount of paperwork involved. So when we think about digitization in logistics industry, the transformation is mind boggling. One can really think of a system connecting each player in the logistics industry and allow completely seamless transfer of information. Innovation is everybody's job. The reality is, innovation takes place when a group of likeminded people have a determination to drive some change. The theme for this summit is innovation. We need to explore how can we go beyond what we are doing .

In this context, I am extremely proud and happy to announce that Kale Logistics Solutions is going to set up a 'Centre for Innovation' for excellence in IT in the logistics industry. We will be providing a seed funding of USD 25,000 towards this initiative. The idea is to promote and seed innovation of IT in the industry. I hope that some of the ideas that we come up with in the CLEAR VIEW can be taken forward using some on this seed money and participation as well into creating some innovation that can be carried on. CLEAR VIEW is a forum for interaction and enriched knowledge sharing. That's what we hope to achieve. Once again a warm welcome to CLEAR VIEW 2017.





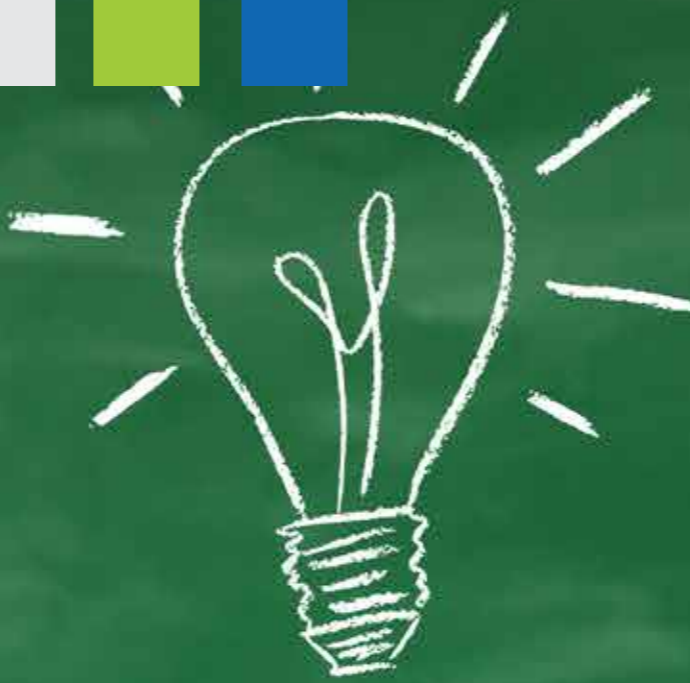
## SESSION 1: Innovation - when will the talk convert to action

### Synopsis

Innovation in business and operational practices ensures not just growth, but sustainable growth. Revolutionary innovations, especially in the field of IT have transformed the way traditional businesses are functioning. The air cargo industry is no exception as it also needs to re-invent itself, adapt to customer expectations, embrace new technologies and challenge the status-quo to be more efficient and attractive for customers, business partners, investors and employees. Despite opportunities for growth and expansion, the air cargo industry has not been able to reach its optimum due to numerous operational and cost related barriers.

The key thing in innovation is the need for action. If growth trends of last 8 years are to be considered, one can look at it as the innovation gap in the air cargo industry. The airlines embraced the projected growth at the passenger side particularly and invested heavily in innovation side. Thus, significant amount of automation has been driven to optimise the passenger journey through the airport. One of the important thing to consider is the innovation multiplier. The way of innovation changes. What one needs to necessarily do is get the innovation and leverage it. The air cargo industry is calling for significant changes there. It is absolutely critical that the industry innovates. There are many things on the innovation radar. - Glyn Hughes

Innovation is a wide field of issues. IT is the backbone of air cargo future. We need much higher IT innovation and its contribution to the whole supply chain. Our industry needs desperate positive changes. Innovation starts in simplifying things. We need to learn from other industries to transform our industry. - Uwe Beck







Moderated by

## Vineet Malhotra

Director, Kale Logistics Solutions

**Q** The air cargo industry is quite vocal about focusing on innovation to drive the much desired transformation in this segment. As industry players according to you what can be categorised as 'innovation' in the air cargo industry?

**A** **Franz Van Hessen:** If we go beyond the boundaries of today's situation, views or expectations, then we are innovating. If we look at our industry, I see a lot of innovation in the last five years. Consider the development in drones, I was delighted to learn that UPS is really studying drones whereas DHL too has been telling about how they have found a way. They are not trying to replace the aircraft with it, they are trying to enhance their last mile systems with it. Adding it to the trucks, in my opinion is quite smart. There is really lot of innovation in our industry and I think we are not driving change. We are only adapting to change. The innovation is really there. The tricky part here is to recognise in time, this is smart, this is what I am going to support.

**Glyn Hughes:** Anything that drives quality, transparency and optimisation of the supply chain is innovation. The IATA study shows that today's air cargo rates are in real time 69% reduced. The air cargo industry is really being squeezed and it is thus difficult to find investment. When you find investment it is really important to know where to employ it to get the best returns. In 2016, out of the 9% of the total retail sales technically under the ecommerce banner, only 1-2% was cross border. A lot of e-commerce platforms find integrated products to be expensive. They are seeking a mechanism to consolidate number of small shipments and then deconsolidate them in the end. This is an example of where industry is looking at huge opportunities and seeking answers.

**Håkan Nilsson:** The driver of innovation is actually the consequence. When I say we are driving innovation, we are driving obviously more on the ultimate processes. In my 25 years in the freight forwarding industry, we have had different levels of data quality. The difference has always been whether there is a consequence to the person producing the data. Any consequence hitting the ability for that operator to get paid, the quality is perfect. So I think when we are driving innovation, technology is no longer the limiting factor. Today, it is our ability to decide the combination of process with human intervention and automation and one needs to implement the data of innovative solutions and the consequence systems for humans. If you drive it as an individual company you will get the benefits, but if you try to drive as an industry innovation, you all will improve 27%.

**Angel Cabeza Rivas:** I cant say that we are much more innovative than any other industry because we aren't. In our industry you need to justify your investment on quality, on trustability, on giving the customer what they need. Quality costs and that is what the customer needs to understand. I think you have a seed in IATA with their Cargo IQ. What I am missing is, why is it not open to every single carrier.

**Q** We have all been discussing innovation to be the key to drive transformation in the air cargo industry. However, given that every industry player must contribute in spearheading innovation, in your respective organisations is anyone tasked with 'driving innovation'?

**A** **Maarten Klijnstra:** In my organisation, we are still defining what innovation means. For us, practically innovation should be something that is also profitable and achieves a certain outcome. Innovation is a joint effort. And just by looking at a simple human process you can call it innovation. For us, it is a senior management item. We do not have any innovation department.

**Q** Innovation is the responsibility of everyone. It is something that every industry player must contribute to. Having said that, is the industry really keen to innovate?

**A** **Uwe Beck:** In my 35 years of career, I have seen only say 30% people are only open for innovation. Lot of high level industry players too have said that we only want to earn profits rather than investing in innovation. This is quite frustrating sometimes. We are ruling the future of this industry. However, there is a completely different take of the future generation pertaining to how things must work. Sometimes we need to accept that rather than argue it. I think there are a few things that hamper innovation. There is no accurate data. We are all sort of working on impulse and hunches. We are all short of data. Shortfall of supervision is definitely a issue. There is no decent training at the moment. There is just lot of tribal knowledge. The third thing that is hampering innovation is the amount of risk capability. If you want to really innovate big things, you need to have spare capital. I would say we are on the verge of innovation and dramatic changes and amount of investments is huge.

**Glyn Hughes:** The biggest challenge that the industry is facing is the challenge of avoiding getting too relaxed, too lethargic about the current increase in volumes. The industry really needs to embrace that if we want to keep this kind of growth growing, we need to innovate because one of the biggest risks we got is stagnation. Events such as CLEAR VIEW and any other forum where the supply chain partners come together, challenge each other debate the issues and formulate an action plan for the future, is absolutely vital for the industry.

### Synopsis

Key Performance Indicators (KPI) are quantitative measures that evaluate the success of an organisation. Just like any other business, air cargo providers too need to establish certain measurable parameters to evaluate how to gain tangible benefits from businesses. Air cargo operators are shifting their focus on adopting measurable results by identifying and focussing on key KPIs. Gaining visibility to such tactics helps in the lingering growth of the air cargo supplier.

Transformation will be the foundation for the success of the air cargo industry in future. It is imperative that all supply chain members including Air Cargo players must have cost effective systems. Technology has now modulated itself to cater to the e-AWB and e-Freight compliance for digitizing Air cargo operations. However, going forward transparent KPI measurement and reporting will encourage competitiveness and improve overall transit times meeting the dynamic industry needs.







Moderated by

# Franz Van Hessen

Vice President, Liege Airport

**Q** Setting standards in terms of how cargo operations must be carried out can bring about transformation in the air cargo sector. How can we bring awareness about such standardization in the cargo operations?

**A** **Glyn Hughes:** Cargo IQ has recently signed a couple of agreements with Global Shippers Forum (GSF) which includes a number of global shipping associations to bring them closer to cargo IQ. There are two things within the Cargo vacuum. There is the KPI with a value proposition for the users of this system i.e., the shippers. The Cargo IQ is really about 'delivered promised'. The second part of IQ is the KPI with the industry, how well the industry is performing operationally as it moves through. That really comes into optimisation. It's really about the industry providing what the customer exactly wants to pay for. We should consider optimisation of supply chain rather than condensing it.

**Peter Kukharchuk:** It seems like the industry has dictated to the customer what it can or cannot do. It does not understand the needs of the customer. If we don't keep our systems on from the facility to airport to destination airport to the customers' facility, if that is not controlled, those countries will lose business to producers. For example, if we can extend the shelf life of African products, we have an edge over south American products and vice-versa. With regards to standardisation, regulators may also not completely understand our business. We need to revolutionise the ways these various regulators interact with us.

**Kai Domscheit:** Nobody is really trying to optimise the operational process. We should try to find how it should work. We should define the operational standard then map the digital part, how that needs to be optimised and measure how we can hold ourselves accountable. We need to find the means for optimisation. Once we find the mean, we can identify who are the key people who can optimise or innovate to make the process better.

**Q** As an industry, what would it take us to define our own standards and dictate our own performance?

**A** **Uwe Beck:** I think to set standard as one industry is extremely difficult because we really have to differentiate products, rules, commodities, industries etc. At the end of the day we are running an individual business and so we should not make the mistake of communism citing everybody is equal. We have complication. We should set may be many more standard as a general guideline. But in between we need to have a leverage of participants in the whole supply chain to define individual measurements.

**Glynn Hughes:** Air Cargo is very competitive. Shippers use air cargo for many different reasons. Sometimes out of compulsion, or where cost is not the issue. Others use it to extract maximum value even as the most expensive supply chain. We should be proud as, even as it is expensive, air cargo promises quality and allows people to extract value from those who actually use it. We are here to provide the solutions that our customers actually need where they want to extract value. Some of the important aspects are be accurate with information, be open with projections and forecast planning, There is a lot of reciprocal information exchange that must take place between the shipper and the supply chain participant. The key point of the game is that lot of shippers are getting more and more specific, much more demanding with their requirements today. The quality, projection of the transparency has to be there so that ultimately the predictability of the supply chain can be there. Industry KPIs can be means to say that we will meet an expectation. We pride ourselves as an industry to be agile and creating solutions where there were only problems before.

**Q** Having defined the measurements of performance, how can we ensure that we as industry players also refine our own business and operational standards?

**A** **Kai Domscheit:** The problem is most airlines have some kind of measurements for quality check and they do not want to be interfered by anyone in the supply chain pertaining to that. The most numbers that I have seen are fake. They say my competitor is doing something based on numbers, so that is again data quality. For me, what we need in that conversation is honesty and responsibility with the information. If I am integrated, it is key. It has to happen because I am only optimising myself. When an airline is coming in and dictating something, what they expect from the industry, no operator can actually give those exact same results on the ground, no matter what you put in place. We need to have the mind sets and the executive positions to deal with it, to accept that the time set is made accountable.



Moderated by

# Amar More

Director, Kale Logistics Solutions

The Modal Shift session was a light take on the topic of 'Modal Shift in the air cargo domain'. Summit participants were divided in two groups to debate on whether or not modal shift has impacted the air cargo industry and what are the key drivers for such a shift. Participants from each group presented their views which they may or may not endorse.

**Q** Air Cargo industry has grown at an average rate of 2.4% between 200-2015 . When it actually could have grown at a much higher rate if you take into account the cargo volume. With many cheaper modes of cargo available, why should anybody chose air cargo as a preferred mode of transport?

**A** **Glyn Hughes:** Air mode of transportation is expensive, but it allows people to extract value. That is the reason why I think air cargo is as successful as it is and will be more successful going forward. Consider Modal shift, some of it is only successful because manufacturing processes have improved. For example, the domestic printers were 2-4 hundred dollars few years ago. There was a high value for sending it by air because it was an expensive product. However, today the same printer will be preferably shipped, not transported by air cargo today simply because the production improvement has brought the cost down, where it no longer fits in the category of things that you need to ship by air. Modal shift has not occurred because air cargo has not got it right. It is occurred because the cost to consumer has gone down.

**Vineet Malhotra:** The fact is it has been 1% of the overall shipment for years together. If the proposition was so attractive, it should have become from 1% to 10%. It contributes to around 3.5% of values according to Glyn, but what is that value delivering to the stakeholders. No quality standards, no improvement, no innovation. Thus even if they have not done anything greater, there is a case for other modes to actually attract cargo, which they are attracting. 85% of domestic cargo moves on road transport simply because air cargo cannot support it. Air cargo has essentially let other mode of transport take the opportunity to move cargo away from air. How is air cargo then saying that they will be, in future take the market when they are currently not been able to accommodate.

**Q**

Going forward what are the measures air cargo is taking as an industry to attract this market ?

**A**

**Glyn Hughes:** Air cargo industry is tied up with the trucking industry for the domestic market. Sadly the arrival of autonomous vehicles may alter the size of the trucking industry. One of the areas where air cargo is helping the existing consumers is we as the air cargo industry are working to know how can the final mile delivery can be made effective and as customer-oriented as possible. For this, we are working on a system which is phone location based, where shipment is delivered to the location of your phone. These are all the innovations that are driven by the air cargo.

**Vineet Malhotra:** Large centres of sea port are very automated. There are close to 2000 air cargo airports and about ten times more small and big ports. Large sectors of ports are very automated. More on the paperless business, 89 port centres have a PCS (Port Community System) installed. In some ports it has been running for about 35 years.

**Glyn Hughes:** Load factors is one of the interesting question here when we consider other modes. As airlines do not carry freight over short haul, other modes of transport for example, trucking gets the short haul covered. Air cargo should consider such options.

**Sam Okpro:** Traditionally there is traffic flowing from the east to the west. Be it a freighter or passenger. Our rates from east coast to west coast were much higher than the west to east. And those rates almost matched the trucks. Another fact is the statistics available in cargo is very poor compared to the passenger side. When it comes to cargo, the quality of the data is just now available.

**Peter Kukharchuk:** Inside of logistics structure, there will be some replacements as time and speed have been important. Also some commodities require distributing centres, that why the logistics sector is changing. That's why more commodities are jumping from sea to air. E-commerce requires frequency and time of delivery that's why more commodities are jumping from sea to air. If you look at for example Ukraine, ecommerce is driving so fast that it is growing five times y/y. Air delivery also provides freedom of decision which is not possible in sea industry.

**Q**

From a freight forwarders perspective we have both, air and for e.g., ocean logistics .My question is will there be a merging of the air and ocean mode. From a carriers perspective, it will be potentially optimising both, is it growing?

**A**

**Glyn Hughes:** Mersk and Emirates is a great example in this regards as there are containers that are coming from an aircraft and going straight to the ship. Though the concept of combining is not growing rapidly, it comes back to if customers want it. It is a blended supply chain, its quicker than pure ocean, its cheaper than pure air cargo, so it is one of the kind that is a middle ground. And as discussed earlier, industry will always find solution for customers.

**Vipul Jain:** Turnaround time especially for domestic route is one of the key performance indicators. So really the question is how can cargo be handled within a very short turn around time. And the capacity that lies with the bellies that are going around in domestic cargo. Another thing is may be a retail solution where a customer can call up and tell the cargo provider where they would need a package to arrive at what time in a seamless way. So, partnership between a freight forwarder and airline to create such a product could be a way forward. You require the airline, a last mile partner, a ground handler etc. for such a process. But most importantly you need the technology and infrastructure that is capable of carrying out such a operation.



### Synopsis

From an e-commerce perspective, air cargo has undergone a major shift in terms of volume and reach across the globe. Unlike earlier where cargo was majorly utilised by only big industry players or bulk exporters, e-commerce websites and e-stores are also becoming potential customers for cargo companies. Due to the availability of multi modal transport options and the high costs involved in the air cargo, e-sellers especially those with medium and small size of enterprise naturally prefer to opt for cheaper means of overseas transport like shipping. Companies are now thinking of partnerships and revenue models that will help them to carry out viable business with e-commerce providers and optimise trade connections. Companies in air cargo space have to still tap the potential of air cargo in the e-commerce space and encourage e-cargo companies to invest in utilising air cargo as their preferred mode of shipment across globe.

e-Commerce thrives on fast delivery, cash management and efficient reverse logistics. The entire logistics cycle is intrinsically linked with Air cargo being one of the key element for an e-commerce transaction to be in time. The last mile delivery is the key. The focus must be on reducing costs, improve attempt to delivery ratio and maximise delivery per person. Air Cargo needs to establish an integrated logistics system to support the dynamic ecommerce surge globally and utilise the opportunity optimally.





Moderated by

# Hakan Nilsson

CEO, Zinnovate Cargo



**Q** Going forward, where can we find an opportunity and how can we innovate collectively to explore the opportunity to optimize air cargo?

**A** **Franz Van Hessen:** My biggest concern is if we are constantly talking about disruption and future of disruption. I think the disruption itself lies in the action and doing something about it. It's not that we are not moving at all but we aren't as disruptive as we need to be. In order to reach one needs to be prepared to disrupt oneself, and constantly re-invent. I think that's the biggest challenge to the industry at the moment as we are not used to it. We need to come out of the comfort zone and I think we are slowly moving to that situation. Because people are using the same tools and the same resources for over the years but now I see many guys moving towards new technologies, basically reinventing themselves.

**Glyn Hughes:** The word disrupt is a negative word - change the same word to digital improvement. Let's leverage the power of the technology and break the barrier to reach out. Let's just modernize and innovate.

**Vipul Jain:** Outside documents there are other things one needs. We need other departments to work together. It's a bigger problem so we should have multiple approaches and it's too difficult to have one single solution. When we find multiple solutions and connect them, then we will have a solution. So every service provider should look around, who are their customers, who are their partners. Because that's going to help their business and maybe provide additional opportunities to expand their services. This whole idea is the backbone idea or the internet idea. Existing community systems and services must connect to each other so that the information can flow. For a Freight Forwarder to register with an airline it takes 4 weeks because of a lack of simpler process. If we can grab the data problem, then the business module we are talking about will evolve enough entrepreneurs in the industry who are going to come out with new business modules and meet the needs of e-commerce. We need to get a little beyond the data problem.

**Q** Going forward what does the air cargo industry need to learn to make dramatic changes across the industry to cater to the e-commerce surge?

**A** **Peter Kukharchuk:** Both e-commerce and air cargo must educate each other in terms of discussing what each side is doing. I think we need to share education from international resources to understand how and where changes can and need to be made in the air cargo domain to keep up with the e-commerce industry. As a national carrier we should try to build special business plans. Not just to cater to movement of e-commerce as a delivery partner, but also as a transit partner. Because we have built a modern connection, we have fixed a role in transit of e-commerce shipments. Other transactions we cover by our system. Most logistics companies try to have minimal connection between the customers and e-commerce platform, which is not possible in sea industry.

**Uwe Beck:** Air cargo has a role to take in transshipment. If it is just an A to B delivery, it's much easier. But consider why e-commerce utilizes airlines if they do have a wide network via hub to reach, their goods to final destination. The reason is that they need to be sorted in a hub to reach their final destination. So here comes an important point, if the volumes are tremendously high, we have to act as a colleague company. Neither the airport, nor the facility is prepared for that. You need to have a transport chain in place to fill the SLAs as fast as possible otherwise, you may lose clients. It is a long mile to go to upgrade.

**Angel Cabeza Rivas:** The e-commerce way of buying and selling is different. Because of the nature of business, it creates volumes which were not there before as manufacturing was at a slower pace. Also they are more customer centric. So it is the same operation but the timelines are different. That is a big opportunity for a freight forwarder. All the modes of transport cannot do it. The opportunity is big as the way people in today's times have learnt to live. It's our culture to want everything 'now'. So definitely there is big opportunity to fulfil this want.





## Session 5: Digital Disruption - Uberization of air cargo

### Synopsis

The business model adopted by Uber has inspired many sectors including logistics. Industry leaders are wondering if they can operate on similar lines. 'Last mile' freight market generating lot of buzz among industry players. Though the technology adaption has been quite dawdling in the air freight domain, it is now pacing up due to competitive pressures. Some of the main reasons for this shift are; the ease of operations that digitization offers, the accuracy and real time information it offers and the fact that it can ensure CRM, something that logistics and supply chain providers are keen to achieve.

The air cargo industry is vulnerable to digital disruption. Digital tools, platforms and emerging new breed of consumers are unleashing digital disruption in a big way. The air cargo industry has been slow to adopt innovation and technology. It has been slow to build customer experiences which are faster and cheaper. Industry disruptors are closed linked to logistics industry like Amazon, Uber, Alibaba. Some of the areas which are prone to disruption in the air cargo industry are delivery, customer service, documentation and business visibility. With tools like big data where service parameters like delivery time, resource allocation, and geographical reach can be optimised. Then CCS 2.0 enables end-to-end trade facilitation. Logistics data backbones which are a combination of hardware, software and services that connect trusted users to provide secure, fast and reliable data exchange and increase business efficiency. Other disruptors like driverless trucks and blockchain technology are transforming the businesses in a big way

**Q** Air Cargo's participation in disrupting is unclear. We need to discuss on what different kinds of disruptive technology or digital disruption can be driven in the air cargo sector.

**A** **Glyn Hughes:** I would call it digital improvement. We are talking about using technology to improve the services and be customer centric. It is about embracing technology and effectively leveraging it. If we don't do it and somebody else does it, then we call it disruptive force. We can leverage the power of technology to modernize and innovate internally. The threat of external disrupter is unrealistic. The fact that air cargo has been around for 105 year as an industry is itself a proof that there are lots of people in it who find an opportunity to make money. As an industry we should focus on reinventing some of the stuff we do, making it more difficult for disruptive entrants to come in.

**Vipul Jain:** One issue that we need to address is around data, it is not just documents but outside these documents there is much more information that we need. And somewhere this problem needs to be solved. For innovation, there needs to be multiple approaches, it is too big a problem to have one single solution. When we have multiple solutions and we connect them, we shall be able to arrive at a comprehensive solution. Every service provider needs to look at who their supplier, partner and customer is and connect with them. This will help reinvention and provide additional opportunities to expand their business. If we crack the data model then there will emerge as entrepreneurs in the industry who will come out with newer business models to meet the needs.

**Kai Domscheit:** There is lot of talk but nobody is taking initiative. The innovators think, operate and work in speed with great collaboration and far reach. We should try and not reinvent the wheel as this is not our forte. What we can do is go back and see what we can do in our own space and get some people with a mind-set and put some funding. There are no set standards in the industry for data capturing and processing. If this is cracked 50% of the issues are addressed. If this persists then there are good chances of somebody entering the industry, dictating standards. There is dire need to implement industry packaging standards so that warehouse storage, transportation and cargo planning becomes easy. With the present resources and people in the industry, innovation could be a challenge. One of the biggest challenge in the cargo industry is established communication amongst the parties involved. SITA is no longer relevant in today's time.

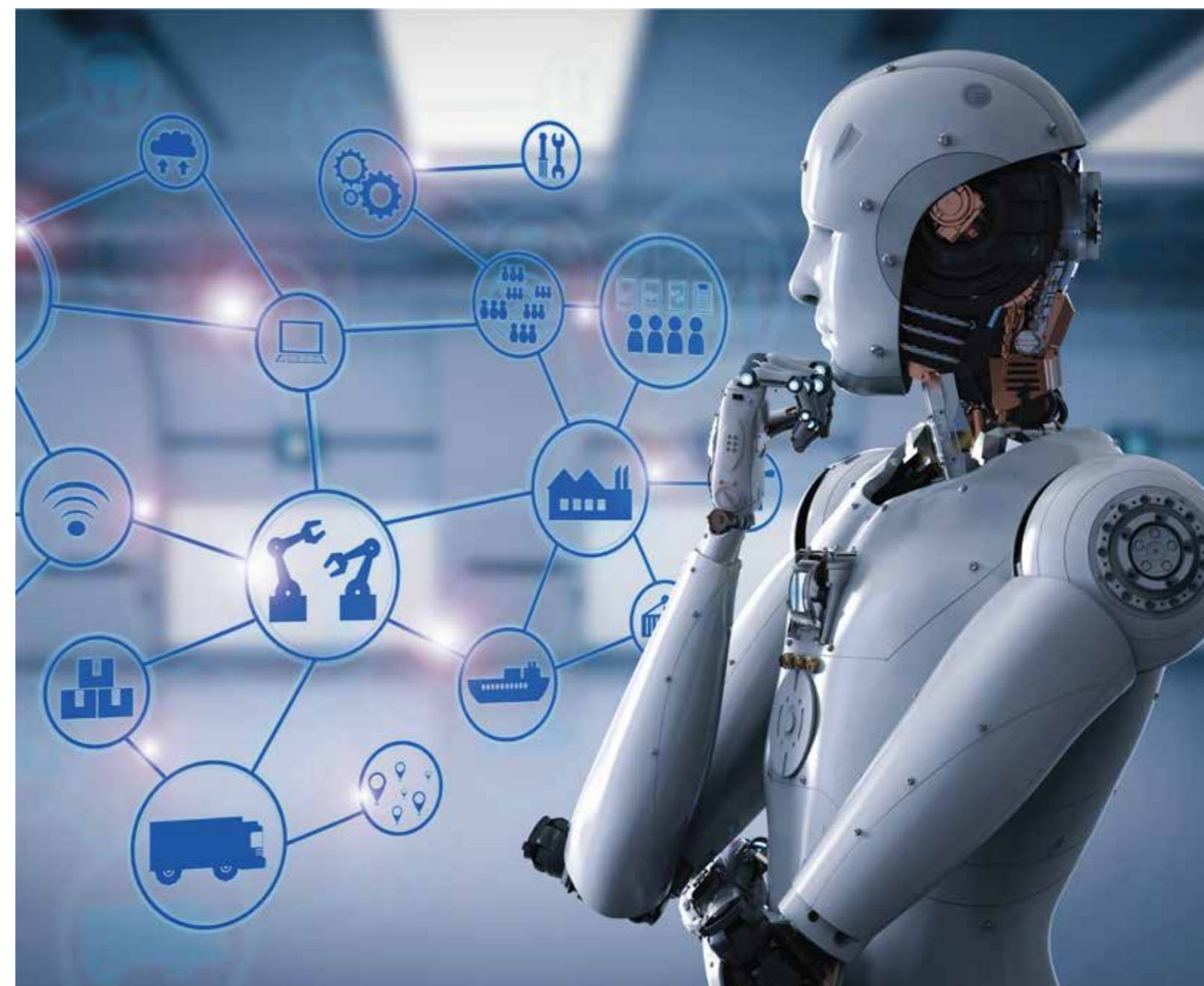
**Q**

Can there be a general agreement on what can be the industry standards for air cargo. What or who can possibly dictate the standards of acceptability in air cargo?

**A**

**Hakan Neilson:** Whenever I have been involved in major processes, I have observed that not accepting a norm has led to a change. For instance, in terms of data as a former freight forwarder, we had customers where it was 100% efficient, but we also had another bunch of customers with usual average standards. The reason was for some customers it was unacceptable to have those delays or failures in data qualification. So we lived up to that standard.

**Kai Domscheit :** The problem is everyone has their own IT system, everyone has their own set standards, but no resource in the IT department. If I have a standard interface, it doesn't help me that I rely on other businesses. We bought lots of data to do the interfacing. The problem here is we can't put that data to rest as if there is a change in some report, all of a sudden the EDI is broken. The freight forwarding organisations are too big and spread out. No one has the authority to dictate the standard. The integration that freight forwarders have is coming from the customers. The customer puts in some information in the system which is dissected completely differently by the system. Ideally, one barcode, Lego or QR code which goes for the entire logistics straight from the shipper will solve it.





## Key Findings & Call for Action

### SESSION 1: Innovation - when will the talk convert to action

- Air cargo has been a slightly late entrant in the innovation side of the business
- Desire to innovate is present but how to drive innovation is still a ambiguous area
- Incrementally, each industry player needs to look for something innovative
- Possibility of building a data repository for air cargo and conduct coalition of data pertaining to industry businesses

### SESSION 2: Measuring performance for transformation

- There is a need for measurable baseline processes
- We need to set our own baselines as an industry
- In performance measurements, define individual potential measurements
- Industry needs data to set measurable parameters

### SESSION 3: The modal shift - disaster in waiting or gold rush (group debate)

- Intrinsic value of the commodity may be the driver of modal shift
- Great opportunities for air cargo industry if data availability is worked upon
- E-commerce is a prime driver for the increase of air cargo trade

### SESSION 4: e-Commerce – where is air cargo headed?

- Constant reinvention is the biggest challenge of the industry
- Imperative that disruptive innovation is embraced and comfort zones are abandoned
- New technologies need to be adopted
- Industry needs to find multiple solutions and connect them

### SESSION 5: Digital Disruption - Uberization of air cargo

- Though the industry is changing , it needs to change more
- Industry can't be passive observers , need to be active participants.
- Air cargo must leverage the power of technology to modernize and innovate internally
- Key need to address data, not just documents

### Summit Closing Note: Vipul Jain

“For the last day and half we have discussed many big ideas. The industry is changing and needs to change more. The only question is are we going to be part of this change or are we going to be dragged into this change. We can't be passive observers to this change we need to be active participants.”

### Call for Action

- Formation of an Air cargo Wikipedia – a data cloud repository to gather, consolidate and exchange information related to work that industry players are doing.
- Formation of a voluntary group of four industry players, to discuss a problem on the basis of the clear view discussion
- Identify commodities that could potentially shift from the other modes to air cargo.
- Analytical whitepaper pertaining to the ecommerce industry ,its growth and key parameters
- Combine sessions and discussions on ecommerce and share among industry for knowledge sharing





**Glyn Hughes**  
Global Cargo Head  
IATA



**Uwe Beck**  
CEO  
BeCon Projects GmbH



**Savas Aslanidis**  
Director Cargo & Security  
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**Sam Okpro**  
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**Peter Kukharchuk**  
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**Amar More**  
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**Vineet Malhotra**  
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Head - Marketing  
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**Bhavesh Nachnani**  
Senior Manager  
Kale Logistics Solutions

## Industry perspective on CLEAR VIEW

The CLEAR VIEW summit opened on an extremely optimistic note and ended with a very encouraging applause. We are delighted to experience the effervescence and genuine participation of industry leaders in our effort to bring the industry together. Each participant left with some new perspectives on how to tackle the challenges faced by the industry and how to make the most out of the incredible opportunities that lie ahead. Here are few of the perspectives shared by the honourable participants.

Events like CLEAR VIEW or any of the forum where supply chain partners come together, challenges each other which is critical debate the issues and strike as and when the action plan for the future is absolutely vital for the success of the industry.

**GLYN HUGES, Global Head, IATA**

I hope that forum such as CLEAR VIEW provide platform where we don't just meet an old boys club but get some fresh blood and fresh views. We can speak openly and don't have just political thought but an open and honest debate with some change happening.

**KAI DOMSCHERT, CEO, CHI Deutschland Cargo Handling GmbH**

My expectations form forums like CLEAR VIEW are to get away with some clear action points. I think, any forum but this particularly has been proven forum where people are very capable of contributing. Capability is one thing secondly must be the willingness of the people to come to the forum not to get but to give which I think is working out excellently. The final kick of all this is to connect all these wise words into call for action.

**HAKAN NILSSON, CEO, Zinnovate International**

I think these kinds of the forums are great opportunity for the thought leaders to address the challenges that the industry has. It has small groups and the engagement; energy is greater and there is really room for opportunities to grow and discuss solutions for these challenges thank you for inviting and I look forward for the next one.

**ANGEL CABEZA RIVAS, Head of Technology, IAG Cargo**