

KLM Cargo improves service quality with TRAXON CDMP

TRAXON CDMP solution improves visibility worldwide as well as on-time delivery and planned processes.

AF (Air France)-KL (KLM) Cargo is the world's biggest, non-integrator air cargo operator, generating a combined turnover of EUR 2.9 billion. The French Dutch carrier group offers a wide range of air transport services and provides seamless connections between more than 400 destinations worldwide. The airline group is proud of its high quality standard and sees service quality and cost efficiency as important differentiating factors in a very competitive business environment.

KLM Cargo, the Dutch part of the group, had been a driver in developing the IATA Cargo 2000 quality management system from the early days, even before its merger with Air France. From the very beginning KLM Cargo saw the need for an industry wide standard to measure and improve process quality. Hence, it was clear that the carrier was looking for a solution which allows them to integrate these standards directly into their operating procedure.

Summary:

Challenge

KLM Cargo was aiming for a solution which not only measures key performance indicators (KPIs) set by Cargo 2000 but which allows them to integrate the data directly into their legacy system.

Solution

KLM Cargo IT department integrated TRAXON CDMP into their IT system.

Benefits Realised

By integrating TRAXON CDMP data along with Cargo 2000 procedures into their operating system KLM Cargo is better prepared to detect sources of error, initiate process improvements and measure the results. Time spent on manual tracking and tracing of shipments and the management of irregularities is reduced. Customer satisfaction rises due to better service performance by KLM Cargo.

has invested in IT solutions such as TRAXON CDMP.

The TRAXON Cargo Data Management Portal (CDMP) collates and evaluates performance data collected along the airfreight transport chain as specified by the IATA Cargo 2000 initiative. This data is visualised in easily understandable graphics, and made available to all authorised partners along the transport chain in real time. Thus airlines and their partners have simultaneously always the same information available. In addition, a complete data history on shipment basis (after entering an air waybill number) or by station can be produced.

The key to the IATA Cargo 2000 quality management system is the creation of a route map for individual shipments. The TRAXON CDMP compares the planned with the actual event (Freight Status Updates) and identifies variances (discrepancies), i.e. events that conflict with the planned business process. In addition, an exception record as reason for this discrepancy is created. This allows airlines to address the problems and initiate improvement processes in cooperation with their partners along the process chain. The aim is to reduce mistakes and dwell times on the ground. Progress made in implementing improvements can also be recorded

Solution for comprehensive needs

To further improve the performance quality of its own staff and that of service providers as well as to raise the service quality overall the cargo carrier

in periodic reports on the CDMP. The TRAXON CDMP furthermore allows airlines to compare the performance data generated by their own quality management system with those generated in accordance with the IATA Cargo 2000 standards.

Initiating process improvements

Air France-KLM Cargo is one of the air cargo carriers using the TRAXON CDMP. Regular analysis of performance indicators enabled the carrier to concentrate on developing and strengthening core competencies that provide differentiated value to its customers. Central to the optimization strategy is the continuous improvement of cargo handling processes along the transport chain. This requires real-time visibility to all processes along the supply chain and an exception-management capability.

“The TRAXON CDMP has proved to be a most useful tool in the context of our quality management system,” explains Gert Mijnders, Operational Process Analyst at KLM Cargo. “Especially, entering exception handling codes which we have integrated as part of our operating procedure last year has been welcomed to enhance our performance. At KLM Cargo we hold regular meetings with our colleagues at Schiphol airport and monthly telephone conferences with various stations in our network to discuss these “exceptions”, i.e. the discrepancies between planned and actual movement at the various milestones as well as the reasons (e.g. shortage of ULD, pallets, staff, planning mistakes etc.) and possibilities to avoid such flaws in the transport process in future. A big advantage of the CDMP and the unified Cargo 2000 measuring system is the verifiability and reliability of the measured data as well as the easy access to the information. Thus real process improvements become possible and traceable. The performance data are directly transmitted from the TRAXON CDMP into our own airline IT system where they are analysed and then initiate improvement processes. With the help of the Cargo 2000 Data Management Portal of TRAXON Europe we can assess very easily how well our own performance is but also how our partners e.g. GHAs, truckers have actually

processed each shipment. This is particularly important in the case of time sensitive shipments.”

Tangible results

Service quality improvements are good for the image of an airline and customer retention as well as good for the balance sheet. However, the positive effects are difficult to quantify. In detail, by adapting with the help of TRAXON CDMP the Cargo 2000 procedure into KLM's operating procedure, the carrier reduces time spent on manual tracking and tracing of shipments that have gone lost or were delayed. It also lowers the time spent on managing irregularities. It raises the supply chain visibility, improves planning and executions processes, and reduces claims. Currently approx. 40% of all Cargo 2000 shipments worldwide are being monitored by TRAXON CDMP. This underlines the high level of acceptance and the usefulness of this IT tool.

Interested in more services?

By the way IATA Cargo 2000 is not only an airline issue but also relevant to freight forwarders. More and more shippers demand Cargo 2000 certification from their preferred suppliers. TRAXON Europe offers consulting services to help companies meet Cargo 2000 Phase 1 (airlines/forwarders) and Phase 2 (forwarders) requirements. Phase 2 further improves end-to-end supply chain planning and visibility, increases customer satisfaction and reduces costs. Call us to find out more.

What is Cargo 2000?

The IATA quality management system is being implemented in three distinct phases. The key is the creation of a unique 'route map' for individual shipments that is monitored and measured throughout the delivery cycle of each shipment. Phase 1 manages Airport to Airport movements - shipment planning & tracking at Master air waybill level. Once a booking is made, a plan is automatically created with a series of checkpoints against which the transportation of every air cargo shipment is managed and measured. This enables the system to alert Cargo 2000 members to any exceptions to the plan, allowing them to respond proactively to fulfil their customers' expectations.

www.iata.org

Company portrait

TRAXON Europe, headquartered in Frankfurt am Main (Germany), was founded in 1991. The company's dedicated professional team provides comprehensive, leading edge electronic communication solutions and services to the airfreight industry. TRAXON Europe's innovative products help the different partners of the air cargo supply chain to electronically manage air shipments and meet Cargo 2000, IATA e-freight, WCO (World Customs Organization) and postal requirements. They optimize global process quality, increase in-time delivery and document accuracy by eliminating sources of error. TRAXON Europe not only boosts its clients' customer service and gives them a competitive edge but it also greens their CO2 footprint by eliminating the need for paper. The global network of TRAXON Europe links more than 9,000 offices of forwarders and third party providers of logistics services with some 100 international airlines.

For more information about TRAXON Europe, visit our website at www.traxon.com.

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