

INTIME FREIGHT

Cargo 2000 in Practice



Air Freight
INTIME FREIGHT

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INTIME FREIGHT &
CARGO SERVICES LTD
"YOUR FREIGHT PARTNER"

CARGO 2000

The Cargo 2000 initiative aims at standardizing and optimization of the door-to-door transport process, making it more efficient, visible and reliable.

Cargo 2000 has brought together many world's major airlines and freight forwarders, as well as handling agents, technology providers and hauliers, with the aim of implementing a new quality management system for the global air cargo industry. The objective is to develop and implement quality processes that facilitate the planning, monitoring and measurement of the door-to-door air cargo chain, thereby improving efficiency in the industry.

Cargo 2000 is the largest improvement initiative ever in the air cargo industry. It brings together over 35 of the world's leading airlines, freight forwarders and third parties involved in air-freight forwarding under the auspices of the International Air Transport Association (IATA). The objective is to create standard shipping process steps as well as interfaces for the exchange of shipment data between parties, whereby door-to-door transport can be precisely planned and proactively monitored. In the event of delay occurring during the shipment cycle, an alert message is automatically issued. The freight forwarder and cargo carrier are thus able to communicate with the customer and implement corrective measures in good time to ensure the cargo reaches its destination as originally planned, despite the delay. Cargo 2000 also records performance data for every concluded shipment and operator. On the basis of standardized reporting procedures, customers can measure and directly compare the performance of individual freight forwarders and cargo carriers.

INTIME FREIGHT is one of the world's freight forwarder to be globally Cargo 2000 Phase 2 certified. Every shipment handled is planned and monitored according to these standards. We apply our Cargo 2000 philosophy and capabilities to the advantage of every customer, regardless of carrier or route. No other forwarder is currently able to offer a comparable level of service in the air cargo industry.



Background of Cargo 2000

When it comes to air freight, reliability is key. Customers depend on the timely delivery of their goods, for they also have delivery promises to their customers to keep.

In addition to reliability, customers demand:

-Visibility through real-time tracking and tracing

-Precise, time-defined delivery

-Transparent and competitive rates

-Clear responsibilities

-Consistent service levels worldwide.

In the early 1990s, it was obvious that the air cargo industry was falling short in meeting these requirements. Furthermore, it appeared that the industry was failing to compete against integrators' reliable, time-definite transport services that were combined with good information integration and visibility capabilities.

To address this shortcoming, a group of leading airlines and freight forwarders agreed to redesign airfreight transport. This marked the foundation of the Cargo 2000 initiative.

Aim of the Initiative

The overall objective of the Cargo 2000 interest group is to satisfy customer expectations. Based on detailed research, the group has re-engineered the transport process from shipper to consignee and designed a Master Operating Plan (MOP), thereby considerably reducing the number of the necessary process steps in the air cargo supply chain as well as defining standards for the exchange of data. The implementation of the MOP will guarantee industry-wide process standards and enhance the visibility and control of a shipment's movement along the transport chain.

Cargo 2000 Mainstays

Cargo 2000 is about planning, controlling and reporting on air cargo shipments.

PLAN-Based on the standardization of each process step from door-to-door, Cargo 2000 is able to precisely calculate the time at which certain events, known as milestones, will occur within the shipping cycle. The result of this automated procedure is a transport plan-the shipments route map. The route map defines when the cargo is scheduled to arrive at the consignee's doorstep and represents a delivery promise to the customer.

CONTROL

Once a shipment is on its way, the fulfillment of each milestone is electronically monitored against the respective transit schedules in the route map. If one of these process steps is not completed as planned, the system triggers an alert, enabling the freight forwarder and cargo carrier to implement corrective measures. This supervision of the shipment is ongoing until it is delivered at destination.

REPORT

It is important for customers to know how reliable their logistics partners actually are. Cargo 2000 includes standardized reports based on key performance indicators developed in cooperation with various Shippers Councils worldwide. These reports enable customers to compare the performance of freight forwarding service providers across a standard set of parameters.

While common time-definite air cargo services will deliver a shipment within a given rigid time frame (e.g 48 or 72 hrs) **INTIME FREIGHT** time-definite approach under Cargo 2000 Phase 2 calculates the exact time and date of delivery for each shipment individually, by taking into consideration the time it takes to perform relevant operations at handling stations throughout the transport cycle, as well as Local Public Holidays, Station Opening Hours and Carrier Specific Data

HOW DOES CARGO 2000 WORK?

Customers expect reliability. They expect their air freight cargo to be delivered to the doorstep on time, precisely as promised by the air freight forwarder. To this end, planning and control are essential.

When it comes to keeping a delivery promise, planning and visibility are key. Without these there can be no control. And what is not under control cannot be measured.

This is where Cargo 2000 comes in. Its key objectives are to plan, control and ultimately report on each individual shipment.

Planning-The Basis of every Delivery Promise
In order to control a shipment's movement from door to door, detailed planning is required. Cargo 2000's members have developed the process framework necessary for the calculation of each shipment cycle. Based on this framework, a route map is automatically issued for every shipment. The route map defines the "latest by" times for the fulfillment of the key process steps (milestones) along the transport chain. It is a time-defined delivery promise to the customer.

All parties that are involved in the transport of a shipment are equally involved in planning its route map. Cargo 2000 has established standard data interfaces so that the route maps of the cargo carrier and air freight forwarder seamlessly combine.

The route map is a shipment's transport plan. Essentially, it is a list of process steps from door to door that features the "latest by" dates and times for the shipment to complete certain milestones. This plan is the basis of every delivery promise.

Control-Proactive Shipment Monitoring Ensures Timely Delivery

After the transport and delivery requirements have been agreed with the customer, and the route map calculated and issued accordingly, the actual shipment is then automatically monitored against this route map from origin to destination. With the completion of every milestone, both the carrier's as well as the forwarder's IT systems are updated.

Any deviation from the route map triggers an alarm. This facilitates proactive communication between the freight forwarder/carrier and shipper/consignee, allowing for corrective measures to be taken in order to bring the shipment back on schedule.

Should the extent of the delay mean a shipment cycle cannot be concluded as planned, a new delivery schedule is calculated and the route map adjusted accordingly for the remaining transport steps. At the same time, exception codes are entered into the system to record the causes and responsibilities of the delay. Commonly used tracking and tracing solutions only list a shipment's past movements. The Cargo 2000 route map concept provides not only visibility of historic shipment data, but also illustrates this against the route map schedule and provides anticipated shipment information to destination.

Reporting-Was that Delivery Promise kept

At the end of the shipment process, it is important to establish whether or not the delivery promise was kept as well as the reasons behind a possible delay. All Cargo 2000 members are accountable for monitoring their performance on the basis of standardized reporting procedures and agreed exception codes. This enables the production of month-end reports that list the most frequent causes and responsibilities for delays. For the first time in the air freight industry, it is possible for customers to directly compare the performance of their Cargo 2000 enabled freight forwarders, carriers or logistics providers.

The **Milestone** is a significant process step in the course of a shipment's door-to-door movement, such as Pick-Up from the Supplier or departure of the aircraft. All Cargo 2000 members apply the same milestone terminology. Each milestone is identified by industry-agreed status codes. The shipment's current status is thus always defined with reference to its most recently updated status code.

Whenever a delay or irregularity during transport necessitates the modification of a route map, an **exception code** is entered into the system that identifies the cause and responsibility for the occurrence. Based on these exception codes, reports can be issued that help identify areas for improvement and compare operators' performance along the transport chain.

CARGO 2000 DEMONSTRATED

In order to illustrate how Cargo 2000 translates from theory into practice, we captured the door-to-door shipment of a Computed Tomography (CT) UNIVERSAL ANAESTHETIC EQUIPMENT from GRADIAN HEALTH SYSTEM Plant in London, UK to KENYATTA INTERNATIONAL HOSPITAL in Nairobi, Kenya.

Working closely with Cargo 2000 certified carrier Kenya Airways, **INTIME FREIGHT** planned the transport according to GHS requirements. The CT Equipment had to arrive in Nairobi at the latest by midday on Monday, July 15th 2012, when GHS technicians would be standing by for the installation.

Based on this time frame, and applying Cargo 2000 process standards, **INTIME FREIGHT** issued the shipment's route map. This automatically calculated transport schedule included the latest pick-up time from the GHS Plant and specified all planned milestone transit times. These are listed on the following pages.

Along the transport chain, **INTIME FREIGHT** had full visibility of the shipment's progress at all times. With every milestone completion, the shipment status was automatically checked against its route map and **INTIME FREIGHT's** systems were updated accordingly.

Initially, everything went according to the route map and all milestones were fulfilled ahead of plan. However, when a snowstorm hit Amsterdam, and Kenya Airways had to off-load all freight from the scheduled flight to Nairobi, Cargo 2000 had the opportunity to prove itself.

With Cargo 2000, **INTIME FREIGHT** is not only capable of planning and monitoring a shipment from door-to-door, but can also fully report on every single milestone and ensure proactive exception handling



CARGO 2000 PLANNED AND ACTUAL MILESTONES

INTIME FREIGHT receives a transport Order from Gradian Health Systems. A Computed Tomography (CT) Universal Anaesthetic Equipment needs to be shipped From London, UK for delivery to Nairobi, Kenya on July 15th, 2012 at noon. A **INTIME FREIGHT** Operator books the shipment with Virgin Atlantic Airways. Based on this booking, Kenya Airways and **INTIME FREIGHT** create the route Map. The operator is now able to pick up the CT Equipment. Gradian Health Systems employees prepare the CT Equipment for transport. **INTIME FREIGHT** delivers the two empty Kenya Airways racks to the Gradian Health Systems warehouse. GHS warehouse employees load the shipment onto the racks.

PUP

A **INTIME FREIGHT** truck picks up the loaded racks and transports them to the **INTIME FREIGHT** warehouse in London. A **INTIME FREIGHT** Operator updates the system with the pick-up information. When the shipments arrive at **INTIME FREIGHT** warehouse, the racks are unloaded from the truck.

REW

The shipment is weighed, measured and prepared for onward transport. The operator receives documents, confirms the receipt and updates the **INTIME FREIGHT** system accordingly.

The operator issues the AWB. Printing the AWB automatically triggers the FWB message to be sent to Kenya Airways

FWB

The shipment labels are printed out and the responsible operator signs the AWB and compiles all necessary paperwork for transport. The **INTIME FREIGHT** operator takes care of export customs clearance, and the shipment is transported to the Kenya Airways facility in Heathrow. Virgin Atlantic Airways updates its system upon receipt of the shipment at its warehouse, and **INTIME FREIGHT** is automatically informed.

RCS

The shipment is now under the physical responsibility of Kenya Airways.

DEP

Virgin Atlantic Airways moves the shipment from Heathrow to Jomo Kenyatta International Airport, Nairobi-Kenya.

ARR

The shipment arrives at the Kenya Airways warehouse at African Cargo Handling in Nairobi, where it waits for Customs Clearance. Due to several weather conditions in London, the shipment does not depart as planned. Accordingly, the route map does not receive a DEP status update and automatically sends out an alert. **INTIME FREIGHT** reacts immediately and contacts the shipper. Kenya Airways re-books the shipment onto the next flight and both route maps are updated. Exception codes are entered into the system. The shipment leaves Heathrow on 17th July.

DEP (LHR)

INTIME FREIGHT can start customs clearance as soon as Kenya Airways advises that that the shipment is onboard and the plane has taken off from Heathrow.

ARR (NBO)

The shipment is unloaded from the plane and transported to the Kenya Airways warehouse at African Cargo Handling, Jomo Kenyatta International Airport. Both Kenya Airways and **INTIME FREIGHT** make all necessary preparations to secure the on-time delivery of the shipment. Upon arrival of the shipment at the Kenya Airways import warehouse, Kenya Airways informs **INTIME FREIGHT** that it has received the cargo.

RCF

After Kenya Airways has completed the documentation and pre-notification of customs clearance, it informs **INTIME FREIGHT** that the shipment is available for **INTIME FREIGHT's** disposal.

NFD

This is the last status update that Kenya Airways provides the route with. From now on status updates are once again made by **INTIME FREIGHT** operators.

INTIME FREIGHT picks the original shipment documents from Kenya Airways. The **INTIME FREIGHT** operator checks all documentation, finalizes customs clearance and is able to confirm to Gradian Health Systems that the delivery of the shipment will be on time.

AWD/ATB

INTIME FREIGHT picks up the shipment from the Kenya Airways warehouse and stores it at the **INTIME FREIGHT** warehouse over the weekend.

DLV

The scheduled truck picks up the shipment at the **INTIME FREIGHT** warehouse, confirms the receipt and dispatches the CT Equipment to Kenyatta National Hospital, Nairobi.

OFD

The shipment reaches the Kenyatta National Hospital. The Gradian Health Systems technicians check all parts of the CT Equipment. The responsible GHS person signs the papers and confirms the receipt of the Equipment.

POD

The shipment was delivered on time and stayed within the originally planned route map, thanks to the immediate action of Kenya Airways and **INTIME FREIGHT** and the full visibility of the shipment's progress via Cargo 2000.

Cargo 2000 enables us to act immediately on changes that occur during the shipping process and to guarantee significantly increased service levels.

Due to bad weather, the "Departure Heathrow" milestone elapsed without the shipment completing the checkpoint as planned. This automatically triggered an alert informing **INTIME FREIGHT** that the CT Equipment was not on the flight to NBO. The company immediately contacted the shipper to jointly evaluate possible alternatives. Gradian Health Systems requested that **INTIME FREIGHT** keep its delivery promise as the technicians standing by in Nairobi on Monday would not be available the following day. Kenya Airways, who had also been alerted by the system, secured cargo space on the next day's flight.

When re-booking the shipment, Kenya Airways updated the airport-to-airport route map, and **INTIME FREIGHT** updated the door-to-door route map accordingly. Both parties posted their exception codes to the system, reporting the responsibilities and reasons for the delay in Heathrow.

With the update of the route map, an alert was automatically sent to respective Kenya Airways and **INTIME FREIGHT** import departments in Nairobi, who arranged for special customs clearance procedures. Given that the original route map had taken the weekend between arrival in Nairobi and final delivery to consignee into account, this proactive exception handling successfully brought the shipment back on schedule. As a result, **INTIME FREIGHT** delivered the CT Equipment to the Hospital on Monday morning as promised.

"Consistent and reliable transportation service is paramount to Gradian Health Systems group of companies. Disasters such as Hospital shutdowns and disappointed patients can be avoided by knowing that a critical part will not make the needed delivery time. Therefore, it is important to have an automated system to proactively manage exceptions, when they occur. INTIME FREIGHT leadership within the Cargo 2000 framework provides an advantage to Gradian Health Systems. This is one reason INTIME FREIGHT is a preferred import broker and freight forwarder for Gradian Health Systems in Kenya"

Erica Frenkel-Gradian Health Systems-USA

THE THREE PHASES ON IMPLEMENTATION

Due to the complexity of the Cargo 2000 programme, its implementation is divided into three stages.

Phase 1:

Phase 1 focuses on the carrier planning and monitoring a shipment's airport-to-airport cycle at a Master Airway Bill (MAWB) level, and automatically updates the forwarder.

Phase 2:

Phase 2 enables the forwarder to play a proactive role, planning and interactively monitoring a shipment's door-to-door movement at a House Airway Bill (HAWB) level.

Phase 3:

Phase 3 involves the real-time management of the door-to-door transport process at piece level including document tracking.

While **Phase 1** enhanced visibility purely on the airport-to-airport segment, with Phase 2 the customer really begins to experience the immense benefits Cargo 2000 has to offer. The ultimate aim of the initiative is to provide full planning and monitoring of shipments at piece level plus document tracking.

As a globally Cargo 2000 **Phase 2** certified airfreight forwarder, **INTIME FREIGHT** is able to ensure the highest possible levels of transport reliability currently available.

Freight forwarders are able to consolidate consignments from several shippers to the same destination airport and dispatch them together using an airway bill (**AWB**) issued by the carrier. This is the so-called Master Airway Bill (**MAWB**). The freight forwarder in turn issues to each shipper his own AWB, known as a House Air Waybill (**HAWB**).



CUSTOMER BENEFITS OF CARGO 2000

Standardized process, increased visibility and proactive monitoring combine to deliver significant benefits.

Customers, whose shipments are planned and monitored from origin to destination under

Cargo 2000 Phase 2, are able to enjoy numerous advantages:

-Better Supply Chain Planning.

Thanks to a reliable, time-defined route map based on facts (station opening hours, local public holidays, etc)

-Accurate Transport Monitoring.

Through standardized milestone checks—from door-to-door, airport-to-airport, door-to-airport, or airport-to-door.

-Total Shipment Control.

By means of round-the-clock shipment/route map matching and automated exception alerting.

-Enhanced Visibility and Security.

This is facilitated by standardized data exchange interfaces between **INTIME FREIGHT** and the carriers, ensuring shipments status updates at every milestone.

-Customer-Oriented Exception Handling.

This is through proactive communication and early planning of corrective measures based on real-time exception alerting.

-Clear Responsibilities and Accountabilities.

This is achieved throughout the shipment cycle.

-Improved Service Levels for the Customers.

Thanks to reliable delivery schedules and transparent, accurate shipment information. These benefits are unique in the industry. By opting for the Cargo 2000 Phase 2 certified logistics provider **INTIME FREIGHT**, customers can rest assured that their cargo is looked after in the best way possible.

INTIME FREIGHT is dedicated to driving improvement within the air cargo industry, and committed to Cargo 2000. More than 40 companies are partners in the Cargo 2000 programme. **INTIME FREIGHT** is a founding member of the initiative. Leveraging its global network of offices and standardized IT systems, **INTIME FREIGHT** is a logistics provider capable of actively planning and monitoring every airfreight shipment. This is regardless of whether the carrier or trade lane used is Cargo 2000 certified or not. This is an ability that significantly enhances the value of customers worldwide.



INTIME FREIGHT'S CARGO 2000 SOLUTION

INTIME FREIGHT is able to plan and monitor more than 100,000 different door-to-door and over 2 million possible door-to-airport routes

INTIME FREIGHT's globally standardized IT platform plays a key role. While other companies have to rely on the shared technology of external providers, **INTIME FREIGHT** is able to leverage the substantial investments it has made in its own technology. When implementing Cargo 2000, individual profiles were set up for every **INTIME FREIGHT** Station, describing the duration of On-Site handling operations, such as customs clearance processes or loading procedures. In addition, these station profiles include local public holidays, opening hours, etc. **INTIME FREIGHT** manages and continually updates over 250 of these profiles, thereby providing the foundation for the calculation of every route map.

By combining this information with the departure and arrival schedules of selected carriers, all process steps, from shipper to handling stations to the consignee's door-step, can be aggregated and the route map automatically calculated. The route map is then transferred to **INTIME FREIGHT's** monitoring and alerting system. If in the course of transport a shipment fails to fulfill one of its milestones as scheduled, the parties and stations handling the cargo are automatically alerted. This enables **INTIME FREIGHT** to immediately react to delays, proactively inform the customer and take agreed corrective action to bring the shipment back on schedule.

If necessary, the route map is re-calculated and exception codes, reporting on the causes and responsibilities for the delay, are entered into the system. Based on this information, month-end reports are created that help Cargo 2000 members pinpoint and eliminate possible recurring sources of error in the future, **INTIME FREIGHT** is going to post its performance reports on **INTIME FREIGHT** Login, the company's internet-based tracking and alerting system, thereby allowing customers to monitor **INTIME FREIGHT's** performance for every shipment it handles.

Station Profiles contain information on the duration it takes to complete certain process steps, such as pick-up operations or import customs clearance. They also list local public holidays, operating hours and carrier-specific data. In combination with the respective carrier schedules, these station profiles provide the basis for the calculation of every **INTIME FREIGHT** route map

INTIME FREIGHT Login is an internet-based application that allows customers to view and monitor transit status and other details regarding their shipments. Different user levels ensure that customers may even link **INTIME FREIGHT** Login to their own IT systems.

RESULTS

INTIME FREIGHT is committed to driving innovation in the air cargo industry. Ever increasing customer requirements regarding reliable transport solutions and high levels of visibility are being met by the introduction of the Cargo 2000 standards and processes. Following the company's successful implementation of Cargo 2000, we are able to offer customers remarkable benefits. The company plans and monitors each airfreight shipment moved anywhere across its global network from door-to-door. It consistently applies the same standards and service levels worldwide. These capabilities, together with proactive information flows and automated alerting in the event of en-route delays, mark a new era in air cargo forwarding.



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For more information on **INTIME FREIGHT's** airfreight cargo services, please contact one of our local customer service or sales representatives, or visit our website www.intimecargo.co.ke

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