



American Airlines Cargo with IBS iCargo Implementation

“When you're willing to do the things nobody else is willing to do, you get exceptional results. You do things better than anyone because you're willing to do the hard stuff. I thank the whole IBS team that have equipped us with the right tools to lead American Airlines Cargo to scale new heights.”

Jessica Tyler – President, American Airlines Cargo

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Client Overview

American Airlines Cargo provides one of the largest air cargo networks in the world with cargo terminals and interline connections across the world, transporting cargo between major cities in the United States, Europe, Canada, Mexico, the Caribbean, Latin America and Asia.

The global operations cover over 365 destinations ably supported by over 8000 staff catering to about 30,000+ customers.



The Context

American Airlines Cargo (AA Cargo) has a huge global cargo network. As the network grew, the business IT systems that supported its air cargo business expanded over the past few decades. Soon, there were 90+ interconnected IT systems supporting the shipping of cargo from origin to destination. This large swathe of IT systems communicated with each other over point-to-point integrations. These were built and deployed in an ad-hoc manner to support various business and regulatory requirements as and when they were required. And, they continued to be part of the whole system.

This complex IT landscape meant that the organization had to go through multiple technologies and vendors. Precious productive hours from the internal IT team were consumed in maintaining the different systems connected

over interfaces, most of them point-to-point. Making even minor changes to a freight product or a customer notification option required extensive work in multiple systems that eventually became cost-prohibitive. The maze created by the 90 systems was paralyzing AA Cargo from making progress in its air cargo business.

AA Cargo embarked on an ambitious business transformation program aiming to upgrade and modernize its air cargo business systems. The program would transform the way industry players interact and collaborate to provide a better shipping experience for its customers. Besides maximizing revenue and profit, AA Cargo wanted to “make it easy for the customer” while “getting paid” in the process.



IBS Software Offering

iCargo Full Suite of modules to support

- Sales, Capacity, Rates, Pricing
- Import, Export, Warehouse Ops
- Revenue Accounting
- Mail Handling & Accounting
- Cargo Portal, Mobility Solution

Key Challenges

Difficulty in providing better and improved customer experience: Customers are at the core of AA's cargo business. AA prides itself in having strong long-term loyal cargo customers, nurtured and grown with dedication. The lack of flexibility in the IT backbone supporting the cargo business meant that it was becoming increasingly difficult to cater to changing customer requirements as AA would have desired.

Business operates in siloes leading to suboptimal performance: Key business functions and business logic were managed in separate systems that essentially forced the processes also to tag along with what IT was capable of doing. This meant that there was no real-time integration between these key business systems. Hence, there was no upfront view of what was sold and what and how much was carried and whether it made a profit or loss. The business could not realize cash for service provided until all back-end processes synched up, by when the service would have already been performed at a profit or a loss.

Challenges in building better solutions along with partners: Air cargo being a dynamic business, AA works closely with its partners to creatively bring out solutions to customers. However, AA was increasingly challenged at developing innovative and profitable solutions for customers along with its partners for want of a better fully integrated digital air cargo backbone.

Aging technology backbone: Maintaining the status quo of the IT platform that supported the business was becoming costlier. There were no improvements to make it easier for customers to do business with AA or bring about efficiency improvements. Precious IT dollars were being channelled to just keep the system up and running and

available. Any demands for building additional capability would quickly expand into a large multi-month IT project involving many vendors as each party traversed the maze of integrations and dependencies and developed and tested all potential scenarios before releasing the system for production usage.

Most such IT projects quickly become cost competitive and the increasing occurrence of such cases had AA worried on the future support that the legacy IT backbone could provide for expanding its cargo business.



The Solution

By replacing 91 independent systems, iCargo upgraded and shrunk the IT landscape to a single core end-to-end fully integrated IT solution platform for managing the cargo business, making it streamlined to adopt several new generation technology solutions that form a strong bedrock of a digital air cargo ecosystem. This digital air cargo ecosystem of IT solutions now assimilates data in a single source and provides intelligence drawn from the rich data and processes backbone to drive the air cargo business processes across cargo sales, operations, revenue accounting, mail, and ULD management at American Airlines cargo.

Command-line green screen text-based systems were replaced with modern GUI based iCargo screens that automated business processes available through a host of desktop and mobile devices. Users and customers could now act on intelligently driven business process flows, thereby elevating both efficiency and customer experience to new levels.



iCargo drives all key business functions across cargo sales, capacity planning, AWB operations, manifesting, import & export operations, warehouse management, quality management, station cashiering, ULD management, customs, airmail handling & accounting, and cargo revenue accounting for American Airlines Cargo. It seamlessly integrates all key businesses, from the point of inquiry for transportation, to the end delivery of the shipment to the consignee generating all necessary documentations, filing and sending them electronically to the required parties, posting accounting entries, and compiling the necessary data for reporting. The online booking portal integrates partners with visibility to capacity for general freight and mail from a single application. The portal provides end-to-end visibility of the shipment as it moves from the point of handover to the airline to the warehouse to the handler to the final delivery partner until it reaches the consignee with detailed milestone view available at each point of handover.

iCargo has enabled American Airlines Cargo to take up new generation digital capabilities on all facets of cargo business - sales, operations, revenue management and revenue accounting - combined with industry initiatives such as e-freight, and e-AWB to drive its business goals.

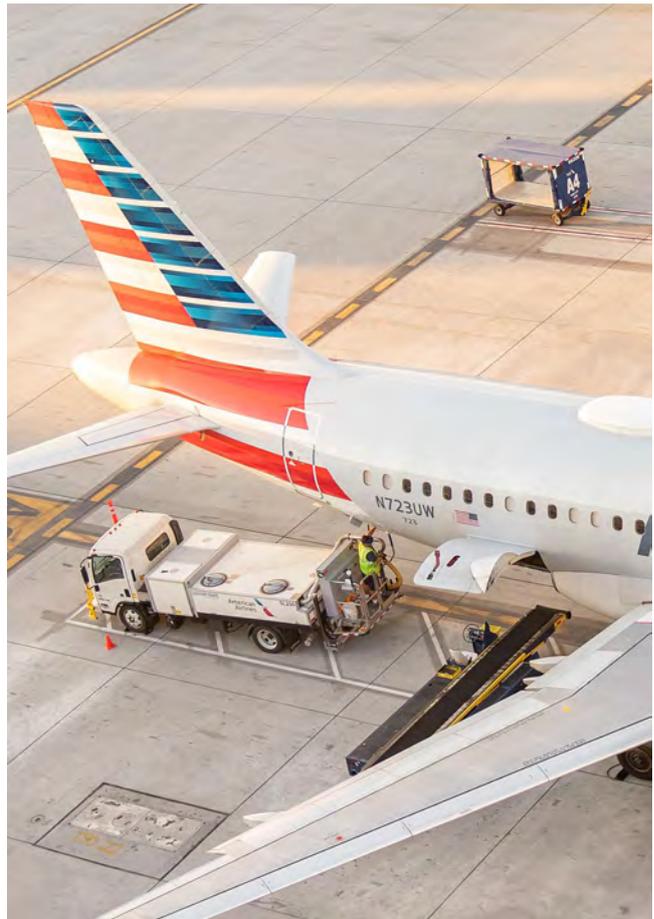


The Service

A digital system with reduced inefficient paper processes, streamlined and automated task flows, the right information at the right time for the right person and a changed and expanded mind-set to operate in a new digital-first business landscape - these are the fundamental objectives that iCargo and IBS outlined to transform AA's air cargo business and provide a class-leading AA experience to customers as well as business partners.

IBS fully owned the implementation as well as integration with key external systems that were retained as AA moved away from the strategy of having a middleware component for integrating its core cargo systems.

IBS established a strong program office in Dallas, closer to AA cargo HQ, under a dedicated program manager with full responsibility for the successful cutover of the entire iCargo suite in scope. The onsite IBS team was composed of the program manager, the business analysts leading core process streams like sales, operations, accounting, mail, and the technical integration specialists ably supported by the larger iCargo team from offshore. AA cargo had equally strong business and IT teams under their program office to work along with IBS' onsite team based in Dallas.



A business transformation of such magnitude involving 8000+ users and 30,000+ customers and numerous business partners spread over the world meant that the implementation followed a phased go-live of the business functions. Starting with the easier and critical business process areas - the ones with early exposure to feature capability - through staged test release cycles ensured earlier user buy-in and developed confidence in the new system. Early scope definition and requirements freeze arrested project scope creep and delays. Multiple product review sessions before UAT phase and day-in-life testing ensured that iCargo delivered to the user and business expectations. Extensive training on application usage ensured that every user was ready to be productive from day 1 of the application go-live.

The final go-live of the airmail module was completed entirely in remote working mode due to the COVID-19 pandemic. Program management teams from both sides quickly established new processes for continuing the project without any halt as it was in the final application testing stages prior to release. The final module of iCargo went live successfully in August 2020 in the thick of the crisis spawned by the COVID-19 virus and has been supporting the talented team at American Airlines Cargo with an industry-leading platform equipped to adapt to the ever-changing needs of our customers and industry.



The Outcome

American Airlines Cargo is equipped with the most advanced IT solution available in the market today for end-to-end management of all business functions of air freight. iCargo supplies the right information at the right time for the right individual, empowering them to take the right action to provide first-class experience to their customers and partners and making it easier for them to do business with American Airlines Cargo.

The new generation GUI-based iCargo solution accessible anytime from anywhere and on a device of their choice will enable American Airlines Cargo to achieve all key objectives that it had set for the new Cargo Solution to deliver.



It is time to rationalize costs: iCargo empowers the capacity controller to make informed decisions on each consignment that is planned for and loaded into every flight, making sure that overall revenue and yield remains high at the lowest cost factor. With the availability of booking data and operational flight availability information under a single view, the capacity controller can control the movement of freight with full awareness of its payload, shipment type, load-ability restrictions and many such factors that help to build the optimum payload per flight and maximizes revenue without compromising customer requirements.

iCargo presents numerous business capabilities across sales, operations and revenue accounting that help to reduce operational costs, revenue leakage and thereby improve the overall profit from cargo business.



Make it easier for customers to do business with AA: Customers are at the core of AA cargo's business strategy. Every business decision will have a key theme on how AA cargo is making it easier for customers to do business with them. iCargo streamlines the customer connect through digital channels that are available 24X7 for customers to reach AA cargo and read or get notified of information important to them. Booking freight online, getting notified about acceptance or suggestions about spot rates, knowing the milestones that the shipment has crossed while in transit, getting electronically and accurately invoiced

for the weight tendered, are some of the measures that are positively achieving the objective that AA cargo set for itself – to “make it easier for customers to do business with us”.



Empower everyone with the right tools, improve productivity: iCargo empowers every role in AA cargo's business with the right tools and information to make informed decisions. Rules-driven processes in the fully integrated iCargo solution ensures that routine processes are automated, thereby saving time. GUI-based application screens carry all information necessary for users to carry out important tasks in a single screen without needing to switch back and forth with multiple applications, thereby reducing the number of errors and associated revenue leakage.

iCargo offers American's cargo staff “easy-to-use” dashboards that identify potential shipment breakdowns with color-coded indicators and countdown clocks. These help AA cargo get ahead of potential issues and keep shipments on their planned path and at destination as promised. The new platform has allowed American to automate the lingering paper-based processes. This includes, for example, American's truckload manifests that are now shared digitally rather than printed. Other improvements include an online, interactive claims form that expedites the approval process; increased use of scanners and tablets; digitally completed and stored check sheets and the ability to upload documents needed for bookings, rather than printing and handing off at tender.



Improve revenue potential through rich digital collaboration with partners: Quick configurability of the iCargo solution helps to introduce products and value-added services available for booking within short notice. AA cargo is able to seamlessly work with supply chain partners like handlers and postal authorities quickly without having to wait for costly and long IT projects, as it used to be in the earlier legacy environment.



Embrace global business practices and work with the global best: American Airlines Cargo stands to benefit from its long term association with iCargo and its ever growing user community of over 30 global air cargo providers that is quite representative of how successful airlines and ground handlers are doing business in this digital age.

