Accenture Freight & Logistics Software
Achieving high performance in the air cargo industry
The demand for reliable, consistent services that meet the needs of customers has never been greater, especially in an industry experiencing a decline of cargo yields in the region of 2 to 3 percent annually. But as volatility, service fragmentation and security conspire to create further pressure on operational practices, the air cargo industry is actively seeking new areas of growth. Furthermore, the greening of the supply chain logistics and Asian growth will create avenues for enhancing assets across markets. So how can air cargo players fly high in turbulent times while being ready for a safe landing in a more stable global marketplace?

For many of today’s air cargo organizations, forging a smooth flight path through the economy’s bumpy ride and often outmoded technology and systems is putting an immense strain on operations. Yet according to Ulrich Ogiermann, Chairman of The International Air Cargo Association (TIACA) “One of the few positives to come from the recession is that companies everywhere are now ready to consider and discuss any changes within their business if it benefits their bottom line.”

Accenture research shows high-performance businesses in the freight and logistics industry excel at two key capabilities: the mastery of standardized processes and integrated IT. Companies that master the linkage between their business systems and processes deliver returns to shareholders 50 percent higher than those of their peers. For air cargo organizations this means the ability to:

- Adapt to changing business models by embracing new products and services
- Introduce advanced capacity and inventory management for improved planning and control
- Improve customer service to meet increased demand for personalized services
- Execute revenue management to reduce revenue leakage and declining yields
- Address allocations planning and management
- Investigate new, growing and varied distribution channels
- Monitor and control proactive shipment flow to increase operational efficiency and performance

Accenture Freight and Logistics Software provides air cargo carriers the comprehensive platform needed to help achieve these goals and meet today’s challenges.

Accenture Freight and Logistics Software

Accenture Freight and Logistics Software offers a fully integrated and industrialized suite of software modules based on a common platform. Our software helps organizations lower costs, increase revenue and enhance capacity by combining Accenture’s deep knowledge of freight and logistics with advanced business analytics and process management tools.

Built on a modern technology base (Service-oriented Architecture, J2EE, Oracle database) with a solid development methodology, Accenture Freight and Logistics Software enables air cargo operators to:

- Gain visibility to information at every point of shipment life cycle from quoting and selling to billing, leading to better decisions
- Achieve business process automation, real-time collaboration and rule enforcements to prevent revenue leakages, reduce costs/claims and enhance contribution
- Employ analytics tools to help maximize asset utilization through forecasting and systematic planning tied to real-time execution

Our modular design easily integrates with your existing business platform. So whether you prefer a standalone capability or a phased end-to-end deployment, our solution provides the flexibility to meet your organization’s specific needs in a cost effective manner.
Freight rates management

Our freight rates management software provides a framework for decentralized and centralized pricing decisions. It enhances control and minimizes revenue leakage through centralized accountability, traceability and consistent application of rates throughout the shipment life cycle.

Benefits include:
- Accurate billing and invoicing and streamlined rating across multiple geographies
- Better margins through systematic, programmable pricing configurations and increased traceability
- More accurate costing through consistent application of charges
- Prevents price deterioration via real-time cost visibility
- Higher quality and compliance in rates data capture
- Modern and open architecture allows for easy integration with existing carrier quote, booking, documentation and operational systems
- More efficient and clear communication of rate terms and conditions with customers.

Dynamic route generation

Our dynamic route generation software provides real-time, dynamic cargo routing alternatives while simultaneously accounting for complex constraints imposed by business rules and government regulations.

Benefits include:
- Increased asset efficiency by identifying the best routes for shipments
- Enhanced shipment routes and cost visibility through the reduction of stops, hand-holds, and holding times
- Increased margins and customer satisfaction through a fast and fairly-priced service
- An ability to expedite integration of combined networks in mergers or partnerships due to low maintenance

Cargo origin and destination revenue management execution

We collaborate with a leading revenue management provider to offer cargo origin and destination revenue management execution software that helps air cargo companies enhance revenue as a critical process to capture value.

Benefits include:
- Increased load factors by accounting for "no-show" patterns
- Increased contribution of shipments to network resources
- Reduced cost by selecting optimal cargo mix and delivery forms
- Increased profitability by using system-calculated hurdle rates in quotation, pricing and booking processes
- Profitability evaluation of key accounts and schedule/capacity strategies
- Improved decisions by forecast future demand and plan for activities accordingly
- A firm basis for establishing and adjusting budgets and sales targets

Freight documentation and execution

Our freight documentation and execution software creates real-time control of freight acceptance and proactive alerts throughout the shipment life cycle and equips air cargo operators with real-time control of freight acceptance to minimize operational disruptions.
Accenture brings together a powerful combination of proprietary freight and logistics software and end-to-end services that help air cargo organizations achieve high performance.

Sales and customer service

Accenture helps sales and customer service professionals with automated and self-service tools that support pricing, booking, routing and documentation processes. Our software helps companies to:

- Gain visibility and control over pricing decisions
- Utilize auto-booking
- Gain shipment visibility
- Achieve accurate electronic invoicing
- Measure effectiveness and quality of customer processes

Revenue management and execution

Accenture helps revenue management and execution by aligning the processes around routes, capacity, costs, rates and pricing. It also provides integrated systems that enable enhanced capacity utilization and higher profitability. Our software helps companies:

- Gain greater visibility into inventory, cost and contribution
- Enable better decision-making and commitment to the customer
- Enable better cost and capacity control
- Drive higher margins

Operations planning and execution

Accenture helps engineer operational processes and, through proactive management, control and monitor shipments throughout the transportation chain. Our software helps companies:

- Lower operational costs via proactive shipment flow management and control
- Minimize offloads and service failures
- Achieve profitable shipment acceptance
- Increase customer satisfaction and retention via real-time performance monitoring and management of the entire shipment life cycle
- Meet industry and regulatory compliance requirements and support initiatives such as Cargo2000 and e-Freight
Why Accenture Software?

Accenture Freight and Logistics Software is the right choice for air cargo organizations looking to reduce cost and increase profitability. Accenture Software combines industry experience and know-how with practical product solutions to integrate air cargo operations seamlessly.

Customer-driven software
Built on a modern technology base, Accenture software is engineered with high-performance business processes in mind, capturing the business requirements unique to the freight and logistics industry. Our development methodology leverages decades of Accenture industry and technology experience which helps organizations lower implementation risk, scale fast and drive measurable business improvements.

Flexible deployment models
Organizations’ needs vary. Our software is modular and can be deployed as standalone components or multiple components introduced in phases. All modules integrate easily with existing business platforms and can scale according to your needs, including integration to external services. Hosted services are also available for those organizations wishing to outsource these functions.

Superior support
Our solution is enhanced by robust support and maintenance services including our 24x7 help desk manned by helpful professionals ready to resolve any application-related issues. In addition, you can count on assistance for logging, verifying and resolving data errors as well as periodic upgrades and updated documentation.

End-to-end services
With a pool of experienced transportation and travel services consultants worldwide, Accenture delivers value-driven solutions based on our deep industry experience and market-leading consulting, technology and outsourcing capabilities. Whatever your challenges, Accenture is ready to help you adapt to changing market conditions at speed, increasing customer satisfaction while mitigating financial and change management risks.
Client case study

As one of the leading cargo airlines in the world, carrying freight, mail and courier traffic to more than 200 destinations in more than 80 countries, a European air cargo carrier wanted to maintain a reliable schedule, same day connections between most continents and destinations, as well as extensive road connections.

Despite an increase in demand, the airline’s growth prospects were hampered by its aging legacy system, which simply didn’t have the agility, efficiency and scalability to deal with an expanding business and the customers’ expectations of smooth, fast and reliable services.

Teaming with Accenture, the carrier decided to introduce a new era of air cargo capabilities, phasing out its legacy systems in favor of a suite of solutions that offered reservations, pricing and revenue management.

The challenge was to seamlessly transform the carrier’s booking, pricing, operations and capacity management processes. Accenture was required to integrate a number of existing legacy systems and provide a strategic incremental replacement of the client’s mainframe system one station at a time within aggressive timelines.

Using Accenture Freight and Logistics Software, the solution brings a clustered system architecture that maintains high availability and full failover support. Built on superior hardware and backed by Accenture’s 24x7 post installation support, service disruption or downtime was near zero and the Accenture Freight and Logistics Software was rapidly rolled out across all its stations in Europe.

Compared to a bespoke application, the Accenture Freight and Logistics Software suite was readily deployable with minimum go-to-market time. As a result, the benefits from the new system could be realized faster. Enhanced booking control/evaluation contributed to yield improvement enabling the client to increase market share and improve revenue far more quickly than anticipated. A controlled rating process meant profitable rate filing via real-time collaboration and approval of rates. In addition, capacity spoilage was minimized due to greater capacity visibility.

What is more, the fresh and efficient user interface enabled self-service and enhanced customer experience and service response times.

The solution further facilitated complete visibility into the reservations, utilization and capacity, which in turn helped increase asset utilization by providing incentives and offers to customers carrying cargo in distressed flights.

For a carrier with a complex global network, having an effective pricing mechanism that helps optimize revenues and eliminate revenue leakage is a challenge. Manual pricing had contributed to revenue leakage, as keeping up with complex pricing guidelines and volatile surcharge levels was difficult.

By employing the Accenture Freight and Logistics Software, standardized rating processes allowed the carrier to gain centralized visibility and control over decentralized pricing decisions. Revenue leakage in the rate setting process, as well as spot price deterioration, were prevented by systematically enforcing pricing guidelines, enabling enterprise-wide collaboration and approval workflow to deal with pricing exceptions bringing it to the attention of pricing analysts and the revenue manager.

Profitable rate negotiation became possible, thanks to clear visibility into pricing. Overall, revenue was increased through a proactive sales campaign and promotional offers on system identified distressed flights and routes, improving the customer experience and, ultimately, helping the organization achieve high performance.
Further Information

For more information about how Accenture Freight and Logistics Software can help your organization achieve high performance, contact:

North America, Europe, Latin America
Paul Long
Tel: +1 (617) 488 3865
Email: paul.c.long@accenture.com

Asia Pacific
Glenn Rogers
Tel: +61 (3) 9838 8355
Email: glenn.rogers@accenture.com

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 244,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

Accenture Software combines deep technology acumen with industry knowledge to develop differentiated software products. It offers innovative software-based solutions to enable organizations to meet their business goals and achieve high performance. Its home page is www.accenture.com/software. For Freight & Logistics, it’s home page is www.accenture.com/freightsoftware.