

# Moving Forward

## The Business of Air Cargo

By Milind Tavshikar, CEO, QuantumID Technologies, SmartKargo



Milind Tavshikar

### Cloud-computing solutions can change the game for airlines.

The Cargo business at the passenger airlines gets relatively little attention from its corporate IT team who are tasked with projects tagged at a higher priority for the airline. This is not going to change anytime soon. And so, the Cargo business lags behind in technology usage, process automation and simply staying current. After decades of this situation, the industry has been seen air-

line cargo organizations operating as dinosaurs in a tech-savvy world. Airlines don't often seem to realize the opportunity cost of not getting this right. Airlines have adopted leading technology on the passenger side of their business. One cannot imagine running a passenger business today without real-time pricing, capacity management or a mobile app for consumers to track flights. All these tools are much needed and also very valuable for the air cargo business. They provide an opportunity to improve revenues, customer service and profits. Air cargo is a huge global business and the airlines are currently only getting a fraction of the action.

As a handful of integrators dominate the marketplace, one of the places airlines can catch up fast is by upgrading cargo technology to the same levels of passenger technology. Mobile apps, self-service kiosks, business intelligence and real-time pricing are all features available today in many off the shelf products. These must become standard tools to operate a successful air cargo business.

### Innovation and Global Infrastructure

Innovation can come to the rescue of Air Cargo in many ways. Technology advances and major investments by IT service providers provide an excellent opportunity for airline cargo organizations to transition to the future, without large upfront investments in hardware. Take the example of infrastructure. Industry leaders like Microsoft have made huge investments—to the tune of \$15 billion—to build the world's leading global cloud infrastructure. Microsoft Azure delivers the robust computing power needed and should be a strong consideration by airlines that are not keen to invest capital in hardware and software in this area. In tandem, leading-edge software suppliers, like SmartKargo, have worked with Microsoft to build a state-of-the-art,

industry standard platform that airlines can deploy in a 'plug-and-play' mode.

Cloud systems are used today by large banks and consumer applications like Amazon and Google. In terms of cost, deploying cloud solutions saves big on IT spend, since businesses do not have to maintain infrastructure. The cost savings can be reinvested to further drive innovation. But the major cloud platforms do differ.

Businesses that select solutions powered by Azure benefit in a number of ways. In addition to cost, the Azure platform has a global network of data centers with high uptime and great performance. Mobility, facilitated through cloud solutions, can be quickly deployed to any device or platform.

"Microsoft's commitment to security, privacy and control, compliance and transparency, and our investments in this space, are unmatched," said Greg Jones, Managing Director, Worldwide Hospitality & Transport for Microsoft. "Airlines and their partners in the cargo chain choose the Microsoft Cloud because it is open, flexible and has a full spectrum of services that spans IaaS, PaaS and SaaS." he said.

And Microsoft is the only major cloud provider with a full hybrid model. Using solutions powered by Azure, airlines and businesses in the cargo chain can extend their capabilities from on-premises to the cloud, seamlessly, to meet business needs. And in terms of security, Microsoft invests more than \$1 billion in security research and development each year to provide the most secure cloud platform to customers.

### Why scalability is important

Using a cloud-based air cargo solution is simple for users who use a simple browser interface. Rather than investing in hardware, buying software or worrying about upgrades, there is a simple expectation of a system that delivers all the needed business functionality, at a price per use.

Cargo is a cyclic business. There are days when volumes hit rock bottom and days you may see volumes peak again. If possible, every airline customer would want to match and manage spend in a correlated manner with volumes and revenue. A cloud-based system allows that. If there is no business on a Sunday, you are not charged on that Sunday. It's as simple as that. And when that peak hits on a Friday, you don't have to scramble to scale-up or get bottlenecked. The scaling is automatic.

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### Easy Integration with Other Systems Connects the Cargo Chain

Air Cargo is a very interconnected business. Very rarely does anyone own and operate everything in the chain. Therefore, it's critical to ensure that communication between business partners in the chain is seamless. This includes sales agents, transporters, ground handlers, regulators and, of course, shippers and consignees. Legacy systems have restricted themselves to using IATA defined data sets for information exchange, thus severely limiting flow of data. Instead, imagine that your airline has a full spectrum of integration possibilities available. A good cargo system must provide unlimited and easy-to-use integration capabilities, so it connects software and systems throughout the chain.

Due to the challenges involved in making a major investment in a market with a limited set of customers, there are not many choices available. In past decades, airlines or GSA's have been forced to develop their own systems and in some cases, have subsequently tried to sell the same to other customers. But it has been very hard to keep up with the technology for these IT teams. It's simply not their core competence. The other alternative comes from vendors who are a software development or management consulting company, that will do what an airline asks for. This option can be expensive and time-consuming. The learning curve in this instance may be quite long and the ROI will be challenging. The alternative is to choose a solution that provides a combination of all the things that are needed to address these challenges—a dedicated cargo software company that has the depth of technology and breadth of cargo business knowledge integrated in a single offering. Such an approach results in a solution that industry players can use right away and technology that will remain current.

### Blueprinting and Implementations Measured in Weeks—not Years

Historically, it takes 2-3 years to deploy a cargo IT solution, due to the approach taken by legacy service providers or in-house IT teams, where engagement in a massive software development effort, often resulting in the creation of a custom environment in the end. A top product, based on cloud architecture, is a collection of thousands of configuration parameters that are used to adapt the same system to multiple-use case scenarios. This approach removes the need to customize code—thus eliminating design, engineering, testing and training time. Our SmartKargo platform, powered by Azure, was recently implemented for Mexico's second largest airline, Volaris, in under 30 days.

### About Milind Tavshikar, CEO and Founder of SmartKargo

Milind Tavshikar graduated from the Massachusetts Institute of Technology (MIT) in Cambridge with a dream of creating an innovative solution that could be a game changer in logistics.

His team had already won the prestigious Finalist Award at the

MIT100K competition and received venture capital. While doing an industry scan, he quickly noticed a big gap between technology used by integrators like Fedex and the airline cargo business. Thus, his team embarked upon the task of building innovative technology from scratch—using the latest tools and techniques to create software that was based upon standards, had an easy to use interface and could be deployed in a short timeframe and at a fraction of the cost of in-house IT systems.

Milind's decade of experience in architecting enterprise solutions, like SAP for large companies, was instrumental in the design of SmartKargo as an end-to-end business solution. His core skills in computer engineering coupled with his management expertise and business process knowledge was a great combination to build the product that his company, Cambridge-based Quantum ID Technologies, envisioned.

After a relentless 6 years of design, engineering and testing, SmartKargo was launched in 2012. In the span of only 4 years, ten airlines around the world have deployed the solution. True to design, deployment times have typically been cut by over half and end users praise the ease-of-use of the interface. Bottom line, the SmartKargo solution reduces the user learning curve and the time-to-market.

SmartKargo was 'Born in the Cloud', that is, designed and natively built to run on the world's leading cloud-based platform, Microsoft Azure, leveraging the massive advantages of its global infrastructure. The Azure cloud makes Mobility and Business Intelligence a seamless natural extension of the platform, thus providing a future-forward product that adapts to the evolving requirements of the air cargo marketplace.

### About QuantumID Technologies, SmartKargo

QuantumID is a Cloud Logistics Solutions for Intelligent Enterprises and a leader in providing turnkey solutions to improve visibility of packages, assets, business operations and work processes in select industries. Its product portfolio consists of an Enterprise Software Offering Built on a cloud computing platform leveraging latest mobility technologies and patent pending innovations.

For Air Cargo Network QuantumID's SmartKargo product is a comprehensive integrated and intelligent Air Cargo Management Solution featuring real-time online sales, booking and space reservation, operations and handling, revenue accounting and business intelligence. SmartKargo is headquartered in Cambridge, USA, next door to MIT, recently described as the "most innovative square mile on the planet." By leveraging the global locations of its office host, Cambridge Innovation Center (CIC), SmartKargo services its clients anywhere on the planet with equal ease and capability.



NOTE: For additional information please visit: <http://www.smartkargo.com>