



How Qantas Freight Transformed Customer Experience Using Mobile Technologies

Synopsis:

Qantas Freight cuts terminal processing time and introduces industry leading self-service mobile technologies through an innovative program of work delivered by IBM® Global Business Services. This included the rollout of IBM's advanced analytics software to generate deeper levels of business insight.

Industry:

Logistics / Supply Chain

Client Background:

Qantas has been carrying freight since its inaugural service in 1922, and uplifting international airmail since the airline's first overseas flight in 1935.

Today Qantas Freight Enterprises is the international and domestic air freight division of the Qantas Group, employing 1500 staff across the globe.

Qantas Freight markets the freight capacity on Qantas and Jetstar passenger aircraft as well as operating a fleet of eleven dedicated freighters to supplement capacity on key domestic and international routes. This network gives Qantas Freight direct access to 50 International and 80 domestic destinations. Combined with the strength of interline agreements, Qantas Freight has reach to more than 480 destinations around the world.

Qantas Freight is also Australia's leading air freight cargo terminal operator, operating a network of 22 cargo terminals and providing ground handling support to 30 airlines.

Business Need:

Like many air freight businesses, Qantas Freight was running all of its business processes and information management systems on a 28-year-old mainframe. Over the years its systems, which were largely paper-based, had become more inflexible and prevented the company from taking advantage of new technologies to streamline their operations.

Qantas Freight embarked on an ambitious transformation program in early 2009, aiming to transform their work processes, streamline their operations and improve customer service. Called 'Freight Futures', IBM Global Business Services – Program Delivery Services was engaged to manage the implementation of this program.



Phase 1 of the program involved replacing the company's legacy freight management systems with IBS Software Services' iCargo platform. This system manages all of the company's critical functions including scheduling, sales, reservations, customer management, terminal operations, load and capacity management, tariffs and rates, stock control and integrates with qantasfreight.com.

The rollout and stabilisation of the iCargo system was completed in 2011. With an advanced technological platform in place, Qantas Freight was then in the position to take advantage of new technologies such as business analytics and mobile applications to further enhance the customer experience and streamline their operations.

Solution:

In early 2012, Qantas Freight embarked on Phase 2 of their transformation through implementation of the Supply Chain Improvement Program. Qantas Freight aimed to provide their customers with greater visibility of their shipments, optimise their operations and reduce paper consumption to meet international best practice targets.

The Supply Chain Improvement Program encompassed four new initiatives leveraging its centralised platform:

- An electronic air waybill (e-AWB) system to achieve significant steps toward a paper-free environment
- Business analytics to improve quality management processes
- A fully interactive mobile site and smartphone apps to enhance the online customer experience
- Customer self serve kiosks enabling real-time delivery requests to warehouse forklifts.

It was at this time that Qantas Freight launched an initial proof of concept for what will become its central quality management and terminal optimisation program. Qantas Freight is now able to generate meaningful reports from the huge amount of supply chain performance data collected from its freight-management system. They now have the insight they need to continually improve service delivery to customers.

By mid-2013, led by the IBM Program Delivery Services team, Qantas Freight had successfully installed express check-in self-service kiosks in its Australian freight terminals, rolled out an iPad driven warehouse solution across their terminal operations and launched the mobile app.

Previously, consignees had to process their paperwork at a counter before their freight was moved from the warehouse to the pickup point.

Now, consignees are alerted when their freight has landed, arrive at the terminal and log in at a self-service kiosk to indicate they're ready for collection. Their shipment data is allocated to a warehouse forklift driver, who receives the pickup request via an iPad attached to a forklift. The driver can immediately retrieve the required freight and take it to the consignee pickup point. This transaction is recorded in real time and updated on the mobile channels for customers to receive the latest status updates. Qantas Freight's import delivery process can now be completed in a matter of minutes.

Customers can now access real-time information on flight schedules, potential delays and shipment locations via SmartPhone. The same information is also available on the improved company website, which provides fast and easy, around-the-clock access to the latest information on worldwide freight movements.

Customers can now ship freight from numerous ports into Australia without needing the paper airway bill (AWB) to accompany the freight. Customers can track their shipments on the web portal and access the latest shipment status information through several online tracking options.



What Makes It Smarter

Mobile applications enable customers to track their shipments online. Self-serve kiosks, iPads embedded in terminal operations and electronic airway bills speed the import delivery process, improving customer satisfaction. Qantas Freight now has the insight it needs to continually improve service delivery to its customers.

The IBM Global Business Services – Program Delivery Services team provided consulting, project management, business analysis, solution architecture and test management services. IBM managed 12 different vendors throughout the program.

The IBM Global Technology Services – Strategic Outsourcing team hosts the servers and software for the solution from the Baulkham Hills data centre. Additionally IBM Global Technology Services – Integrated Technology Services manages the hosting environment for the Quality Management application.

IBM Cognos® Report Studio software is used to generate meaningful reports from the huge amount of supply chain performance data collected from the freight-management system. IBM Cognos Analysis Studio software will allow Qantas Freight to analyse the reports and drill down into the performance of each terminal or for each customer. IBM Cognos TM1 software is used for capacity analysis and forecasting.

The client database and data warehouse are backed up by IBM Tivoli® Storage Manager software. Qantas Freight uses IBM InfoSphere® DataStage® software for the extract, transform and load (ETL) component between the staging/archive layer of the iCargo information architecture and the reporting/data warehouse layer. It transforms the performance data into a model that the Cognos software can use for reporting and conducting impact analysis.

Benefits of the Solution:

By implementing this transformation program, Qantas Freight has greatly improved customer satisfaction by providing increased visibility into shipments and by moving freight through their ports faster than ever before. Qantas Freight has seen strong improvement in its customer satisfaction metrics, uptake was rapid and the feedback received from customers has been extremely positive. As of November 2013, over 290 agents were registered for Express Check and more than 2500 truck drivers authorised to use the system.

Lisa Brock, Executive Manager of Qantas Freight, said *“This project has delivered on the holy trinity. It’s delivered the financial benefits – delivered them on time and on budget – the customer feedback has been outstanding, and the staff love it.”*

Real Business Results

- Reduces processing time for customer freight pickup at warehouses
- Improves visibility into and analysis of KPIs, enabling remedial process improvements
- Raises staff productivity and increases customer satisfaction
- Achieves compliance with international best practices for paperless processing
- **Instrumented** – Smartphone applications allow customers to access real-time information on flight schedules, potential delays and shipment locations.
- **Interconnected** – The mobile site allows consignees with smartphone or tablet access to see exactly where their shipments are, anywhere in the world. Self-serve kiosks and mobile apps rolled out via iPad throughout the freight terminals enable customers to quickly retrieve their shipments.

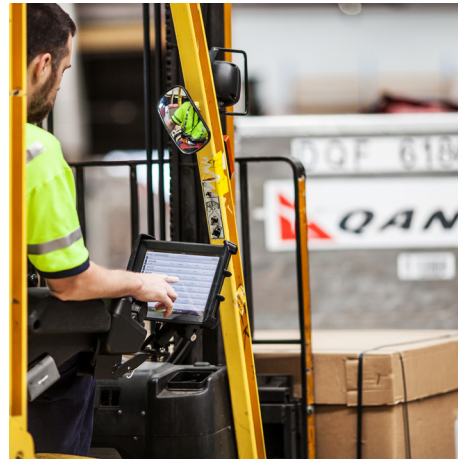
By leveraging analytics, Qantas Freight now has the insight it needs to continually improve service delivery. The analytics solution allows Qantas Freight to analyse where they fail to meet KPIs and identify trends. For example, analysis identified a single flight that consistently departed late from its port of origin, causing downstream impacts across all operations at the destination port and consistently affecting the same key customers. Qantas Freight worked with the operations team at the port of origin to identify and address the root cause of the delayed departure, thereby improving downstream performance.

The Express Check import collection kiosks and use of iPads across terminal operations has dramatically improved the speed at which employees can process and move shipments through the terminal. Instead of waiting for confirmation that the shipments had arrived, for the paperwork to be processed and for freight to be moved to the pickup point which could take hours, the entire process now can be completed in as little as 5 minutes.

Staff members can process many more shipments in a day and make better use of their time. Consignees are much happier, because they don't wait as long at the pickup point. Qantas Freight customers are happier too, because they receive their goods more quickly and their assets – the trucks and drivers – are more efficiently utilised.

Furthermore, introducing e-AWB, mobile apps and express check solution contributed to reduced paperwork and paper use. Qantas Freight is proud to meet IATA's environmental initiatives to reduce paper usage.

Qantas Freight strives to be recognised for delivering excellence in air freight services. This innovative program of technology work delivered by IBM Global Business Services is helping the business improve the customer experience and achieve this goal.



For more information

For more information please call

Australia: 1800 557 343

New Zealand: 0508 ASK IBM (275 426)



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IBM Centre
Level 13
601 Pacific Highway
St Leonards NSW 2065.
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