

## THE AIR CARGO NEWS INTERVIEW

# A predictable solution

Paperless processes can make cargo acceptance and pick-up more predictable for all, as seafreight has already proved, **ULRICH WRAGE** tells

*Peter Conway*

**I**T WORKED for seafreight, so why shouldn't it also work for airfreight? That was the thinking of German software house Dakosy six years ago when looking at the Port Community System it has had in place at the port of Hamburg since 1983.

The system is a neutral and paperless platform on which shipping lines, hauliers and logistics companies can send shipment data to each other, arrange for container pick-up and order various other services. It now has more than 2,000 customers including regulatory authorities.

Looking at Frankfurt airport, Dakosy could see nothing similar in place. Truck movements, shipment collection and many other processes there were still paper-based. There was also interest from freight forwarders who found the Hamburg system efficient and wanted to have a similar capability at Europe's largest airfreight hub.

Dakosy got together with a group of companies to do a feasibility study. This included Kuehne+Nagel, Dachser, Panalpina, DHL Global Forwarding, Fraport Cargo Services, Lufthansa Cargo, in its capacity as a handler, and LUG. It took three years to agree on common processes and two years for a pilot to take place.

Finally on January 1 this year the system, FAIR@Link, went live and started accepting paying customers.

All of the original feasibility group have now become customers apart from DHL, which had to delay participation for unrelated technical reasons. Ulrich Wrage, chief

executive of Dakosy, is now busy trying to persuade other forwarders to come on board.

"We know from seafreight that the system will not be successful if we do not get critical mass," he says.

"It is always true that at air and sea hubs you need to have one communications system, because if there is more than one you lose synergy."

Dakosy has a lot at stake because, unlike for its seafreight platform, it had to put in most of the investment to develop the system. The reason is that joint initiatives in the airfreight industry have become tricky for antitrust reasons. So Dakosy wrote the code at the cost of several million euros, while the other companies gave their time and created interfaces to their own systems.

The initial focus was on the process when a truck approaches the airport - how to deal with the handover of cargo between handler and forwarder or vice versa. But it soon became apparent that they had to look much earlier in the chain.

"On the export side, the handler needs to know what it can expect - how many pallets there will be, what kind of cargo - and they want this information much earlier than we thought," says Wrage. "So now we are talking to truckers and consolidators."

Having such information enables handlers to do resource pre-planning and also security checks before the truck arrives. The truck can then arrive in a pre-arranged time slot and be unloaded or loaded straight-

away. The process thus becomes predictable for both sides.

For export shipments a report is also automatically made to Customs. "We are able to do this with number plate recognition," says Wrage. "As soon as the number plate is read, we ping Customs and they decide if they want to look at the shipment or not."

For import shipments there is the issue of the transfer of ownership from the airline or handling agent to the forwarder.

Traditionally, the handling agent has printed out a form and sent it to the forwarder by courier. The forwarder then stamps and signs the form and sends it to

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the trucking company, which can pick up the goods.

Under FAIR@Link, the system automatically prints out the form at

the forwarder or trucking company, cutting out the need for the courier.

Currently, the piece of paper still has to be taken back to the handler, however. "We could make the whole thing paperless, but our customers said they wanted to implement this in two steps," says Wrage.

All of this might sound quite simple, but a lot of the work in creating FAIR@Link was in agreeing service levels between the parties involved.

As Wrage points out, if a handler is used to processing truckers in the order they turn up, it is a big change to switch to taking them in a pre-booked order,





which may be different. The truckers also have to know that if they arrive at the right time their truck will be unloaded within a certain timeframe.

This hints at one of the



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barriers Dakosy has in persuading more forwarders to sign up to FAIR@Link: for the efficiencies to become apparent, working practices have to be changed. Ideally the forwarder's system should be integrated with FAIR@Link too.

This creates a challenge for forwarders trialling the system, which Dakosy allows them to do during a four to six month test phase. FAIR@Link uses a standard inter-

face, but customers have to construct their own end of it.

Naturally, during the test phase, they often prefer to use the web interface, whereby data can simply be entered manually using a normal browser.

The problem, as Wrage points out, is that forwarders then complain that using FAIR@Link is too time-consuming. “They say: ‘Oh, it took too long. We had to type in too much data.’ We have to point out that if they had the interface set up all this would be automatic.”

Another barrier is persuading forwarders or truckers that if everyone was on the system then they would not lose the efficiency advantages they get by being one of the first to join. “People say what if everyone uses the system? Then none will have an advantage.”

In fact, Wrage says, the experience at Hamburg has shown this is not the case. He cites the classic Friday night rush hour experienced at many airports. “If it was spread through the day and the ground handler could plan better, it would be more efficient for everyone.”

Despite such concerns, Wrage says there has been a lot of interest in FAIR@Link and he is optimistic of signing around 20 new forwarders by the end of the year.

He is also brimming with plans to expand the system's capabilities — booking truck parking spaces by mobile app, bringing in the Frankfurt Perishable Center and veterinarian authorities. Another plan is to look at the management of pallets and empty containers — “these processes seem to be very time-consuming and not well organised, and the processes are basically the same as

cargo”.

In addition, he does not rule out an extension of the system to Munich in the medium term.

He says: “Our hope is that users of the platform will say it would be good to have it at other airports in Germany, but I would expect them to wait and see how it goes in Frankfurt. However, you do need to have an airport of a certain size to make it viable.”

Amsterdam already has a similar system and Paris and Brussels are developing one, but London might be a future target. This is rather speculative however. “Whether we could persuade all those



guys, I don't know. At least by then we would have a working system in place.”

In addition there would seem to be obvious synergies between FAIR@Link and its collection of information on

shipments, and e-freight, which uses similar data. Wrage admits this could be an area to explore in the future, though he says the airport processes are the key focus for now. “But we have

made sure our data streams are in the same format as e-freight, so they would be compatible.” ■

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## FACT FILE

As one of the leading IT and software service providers for the transportation and logistic sectors in trade and industry, DAKOSY AG, located in Hamburg, has been providing forward-looking solutions for freight forwarding and customs clearance for more than 30 years.