

# Living On A Cloud

BY TIRTHANKAR GHOSH

When regional carrier Air Costa started using the cloud-based IT cargo solution SmartKargo in October 2014, it announced to the world that its cargo business was ready. The carrier serves nine cities in the country with its fleet of Embraer E-170 and E-190 aircraft and handles substantial domestic cargo loads. That was one of the first steps for Boston-based SmartKargo in India.

Recently, the cargo IT solutions provider scored another client in India. On the heels of a successful implementation at Hawaiian Airlines, SmartKargo joined hands with low-cost carrier SpiceJet's cargo business. The SpiceJet and SmartKargo team implemented the solution in record time, leading the carrier's VP, Business Development, Amit Srivastava to comment that, "with advanced booking and handling tools like SmartKargo, SpiceJet will ... deliver a much higher standard of customer satisfaction."

Incidentally, SmartKargo is also being used by two other Indian carriers: Vistara and GoAir.

During a recent trip to India, this correspondent met a SmartKargo team to find out how the solutions provider had performed over the past year considering global air cargo growth had stymied over the last few months. In such circumstances, how had SmartKargo been able to adapt to the changing scenario?

"SmartKargo has done very well in the past year," said Executive VP Sales and Marketing Jay Shelat.

"One reason for our recent success directly relates to stagnant conditions in global air cargo: airlines recognize that 'business as usual' will not get them out of the slump, and one key to moving forward is to have better tools to sell and operate their cargo business—tools like SmartKargo," said Shelat.

He mentioned that the desire to move forward was "certainly a primary motivation for Hawaiian Airlines' VP Cargo Tim Strauss to choose SmartKargo, which launched at Hawaiian in June 2015. Strauss recognized that legacy cargo systems just could not handle air cargo's new directions and the new demands of shippers across their system. Norwegian made the same decision: their legacy cargo software was holding them back."

Shelat pointed out that a comparatively large section of the air cargo business around the world was still out of touch with the power of Cloud-computing, and still stuck with



Cloud based IT solution SmartKargo executives, Jay Shelat, Milind Tavshikar and Vladimir Camacho at Air Cargo Americas, report interest running high in the great new solution offer. "Ten major accounts and counting," noted Jay Shelat. Based in Cambridge, SmartKargo is the brainchild of MIT graduate Milind Tavshikar.

their in-house IT systems. A number of carriers have, however, graduated to remotely hosted IT solutions or, simply put, 'software as a service.' But according to Shelat, that was not the real thing.

"SmartKargo is the only cargo management solution that was 'born in the Cloud,' which means we chose Cloud architecture from the very start and the conscious decision to embrace the future drives everything we do."

He also said, "many legacy systems are rushing to catch up, claiming, 'We're in the Cloud, we're in the Cloud.' But the reality is that they are not truly 100 percent Cloud-based. They may have a browser interface, but their system still runs on old, expensive, dedicated hardware. By being 100 percent Cloud-based, SmartKargo eliminates the need for all that—there's no upfront cost for hardware."

Given SmartKargo's pioneering efforts with a Cloud-based system, it wouldn't be a surprise if the company has seen more openness and adaptability among air cargo stakeholders in the present versus the past.

We wondered if those in the new carriers were more eager and willing to seek help through technology to streamline processes.

Shelat quoted from a recent White Paper entitled "Cargo Management Software: What to Look for When Choosing a Platform."

Des Vertannes, longtime cargo expert and now Smart Kargo strategic adviser, said in the paper: "We need leadership, we need responsibility, and

we need people to take ownership. We do need culture change. Air cargo is stuck in old ways. They worked back then, but no longer do." That, said Shelat, sums up the need.

"And we do see cargo leaders across the industry—at new airlines and old—stepping up to the need to change."

SmartKargo has also been able to usher in change by making the process of doing business easier. In the White Paper, Vertannes also spoke of the need to get rid of paper.

"It's just so old-fashioned. At SmartKargo, every AWB is an electronic AWB. Sure, you can print out a paper copy, but capturing AWB data electronically—as well as other key information about a shipment—helps in so many ways, not least the broad visibility of the information," Vertannes had said.

Shelat went on to say that "our solution is 100 percent Cloud-based, which means that all relevant information becomes instantly available to every partner in the cargo chain who needs to know. Legacy systems often don't share information, resulting in uncertainty and time wasted answering questions. Further, SmartKargo's browser functionality is so easy to learn and easy to use, almost everyone already knows how to point and click, and basic tasks are quick and easy to do, almost always on a single screen."

"In simple terms," Founder and CEO Milind Tavshikar explained, "airlines that have chosen SmartKargo have leveraged the massive infrastructure someone else has built and is now

available on demand, without having to spend millions of dollars to develop that capability in house."

SmartKargo dramatically reduces the time an airline would require to deploy a cargo management system—from multiple years to at most just a few months. There is no hardware to buy, no software to develop. It's more like configure, test, train, and use.

And for those looking at the bottom line, Tavshikar emphasizes, "on a Cloud platform, you only pay what you use."

When the business grows, the Cloud scales up automatically. Being on the Cloud, SmartKargo is 'always on.' Each bit of data is copied on six servers simultaneously, and across geographically diverse locations, thus it is fail-safe. All this is automatic and available to every SmartKargo customer by default.

"Because we are a 'Born in the Cloud' company, SmartKargo's software is architected by default to embrace all the Cloud technology that is available today," said Tavshikar. After all, SmartKargo's headquarters is in Cambridge, Massachusetts, adjacent to MIT, in what The New York Times recently called "the most innovative square mile on the planet."

Other tech firms have built software that runs on legacy technology—in some cases all the way back to 1960s-era mainframes. Some have recently migrated to client/server architecture and others have put in a browser interface to make it work on the Internet. But their underlying architecture still remains "the same old, same old."

"None of that is state-of-the-art Cloud," said Tavshikar. "Typical upfront costs remain high, deployment times are long, and integration is cumbersome. SmartKargo recently met two airlines that both use identical cargo software, yet found it almost impossible to connect with each other without having to spend huge sums to connect the same system! That is crazy. SmartKargo Cloud eliminates all these issues."

That ease of doing business will go a long way to tackle the huge jump in the e-commerce business that is seeing humongous growth in India. At minimum, Internet shoppers expect speed of delivery and up-to-the-minute tracking capability for every purchase.

SmartKargo is built on the same Internet technology that most modern day e-commerce companies have built. SmartKargo easily integrates warehousing activity and airline

## Ocean Narrows Service Gap

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Analyst at SeaIntel, said reliability trends in 2015 were up 18.7 points over the first three quarters and highly attractive to shippers. “The global improvement has clearly been driven by the performance increases of the East/West trades, where 6 out of the 8 East/West trade lanes have reached the highest level of 2015 in September,” he added.

All of the world’s Top 20 carriers recorded improved reliability from August to September, with gains ranging from between 2.6 and 8.1 points. Japanese line MOL retained its top place in September for a second month with on-time performance of 92.6 percent, followed by K Line at

90.7 percent and APL at 90.5 percent. The stragglers were MSC, Hamburg Süd, and CSCL at 84.5 percent, 85.4 percent, and 86 percent of on-time performance, respectively.

SeaIntel also examined head-haul services in isolation. MOL was the most reliable carrier overall in Q3 as well as in head-haul services, but elsewhere among the Top 20 carriers there is considerable differences between (for shippers) all-important head-haul performance and global reliability. For example, Maersk Line and Evergreen were, respectively, the second and third most reliable carriers based just on the head haul calls, while they ranked tenth and eleventh

based on all deep sea calls.

“We were surprised to see the large difference between head haul and full round-trip rotation for some of the carriers,” said CEO and Partner in SeaIntel Alan Murphy.

### IMPACT OF ALLIANCES

Shipping alliances have also had a mixed impact on performance. Murphy said in the first four years of monitoring schedule reliability Hamburg Süd was consistently in the top-2 performers, but after teaming up with the Ocean Three carriers—an alliance consisting of CMA CGM, China Shipping Container Lines, and United Arab Shipping Company—on East-West trades, the German carrier had fallen down the scale dramatically.

“For Hamburg Süd the difference between their global performance

and East-West performance is no less than 9.7 percentage points in 2015-Q3, but for many of the other carriers the difference is only between 2-4 percentage points,” he said. “With differences in global carrier reliability being relatively narrow in Q3, the difference of a couple of percentage points greatly influences the ranking of carriers.

“This clearly shows that the performance in the East-West trades might be interesting, but could certainly not serve as a trustworthy proxy for global performance on the deep-sea trades.”

The liner industry may have become more commoditized, but for users it is still clearly worth knowing which line will take possession of your cargo if reliable delivery is a key factor in inventory management.

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transportation to improve efficiency in logistics. “SmartKargo is already prepared for the new trend of airlines to be a preferred partner for e-commerce companies—we’re ready!” said Tavshikar.

“Again, because SmartKargo is 100 percent Cloud-based and works in a browser, we are essentially the first system to fully align with the needs of e-commerce. Our solution works

seamlessly with a wide range of e-commerce needs.”

Keeping in tune with the times, SmartKargo has engineered mobile applications. “Mobility is a built-in feature in SmartKargo, not an add-on or customization that a customer must buy,” informed Shelat.

“Senior executives can see their business reports on an iPad. End-customers can obtain quotes and make reservations on a smartphone. Warehouse operators can scan barcodes and record important events

on ruggedized handheld devices in real-time. And if a user chooses, the SmartKargo Apple Watch app will even provide alerts each time there is a status change on an AWB,” he said.

As the White Paper said, mobile apps were another of the trends that SmartKargo identified as an opportunity.

The provider has developed a mobile app that brings the power of SmartKargo to the palm of a user’s hand, both for sales and for warehouse and ramp operations. These apps

will run on any mobile ecosystem (IOS, Android, etc.), and will run on ruggedized devices that will stand up to rough treatment in cargo ops.

That brought us to the air cargo scenario and IT five years from now. The forecasts for the future of SmartKargo are looking bright.

“It’s clear to us that by 2020 nearly every airline will have embraced the three trends that drove SmartKargo development: the rise of Cloud computing, mobile technology, and data analytics,” said Tavshikar.

## ATC Opens Brazil

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return in two years.

“I’m very excited at the possibilities as Cuba opens up, and on many levels—my dear wife is from Havana,” Ingo Zimmer said.

### BEST JOB IN THE WORLD

And as for air cargo, as usual Ingo Zimmer was not at a loss for words.

“This is the most exciting job you can have. You are in aviation; the cargo people are straightforward; your playground is the world; you have business friends all over the world; and you can see the results of your work.

“When I started my career I was selling, I was booking, and I was also doing the load plan.

“Often when the cargo manifests were handed in and the cargo holds were closed, I would linger a few moments on the ramp, watching as the aircraft was pushing back and taking great pride in knowing



Ingo Zimmer with his U.S. team, (l to r) Timothy Pfeil and Don Cochran in 2014. Ingo pictured with his family in 2008.



that I did my job.

“Now my job description might be different but my romance with air cargo continues. I can endorse cargo as a career and a way of life.

“And yes, I would love to one day see any one or all three of my children as part of this industry.

“Air cargo is a great way of life,” Ingo Zimmer declared.

