# Air Cargo Use Case February 4<sup>th</sup>, 2021 Digital Pricing Conference – Le Club du Pricing français

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## Context : an air cargo leader with a high level of pricing maturity

- European Air Cargo global carrier. Revenue \$2bn
- 90 destinations
- 85 offices in over 50 countries supported by 500 Sales Agents
- Customers are Freight Forwarders booking through either Spot or Allocation bookings
- Pricing challenges
  - Long Time to Quote
  - No streamlined quoting processes / error prone (emails, multiple apps)
  - Pricing / Discount discrepancies (lots of Approval Requests)
  - No unified surcharges and services offering



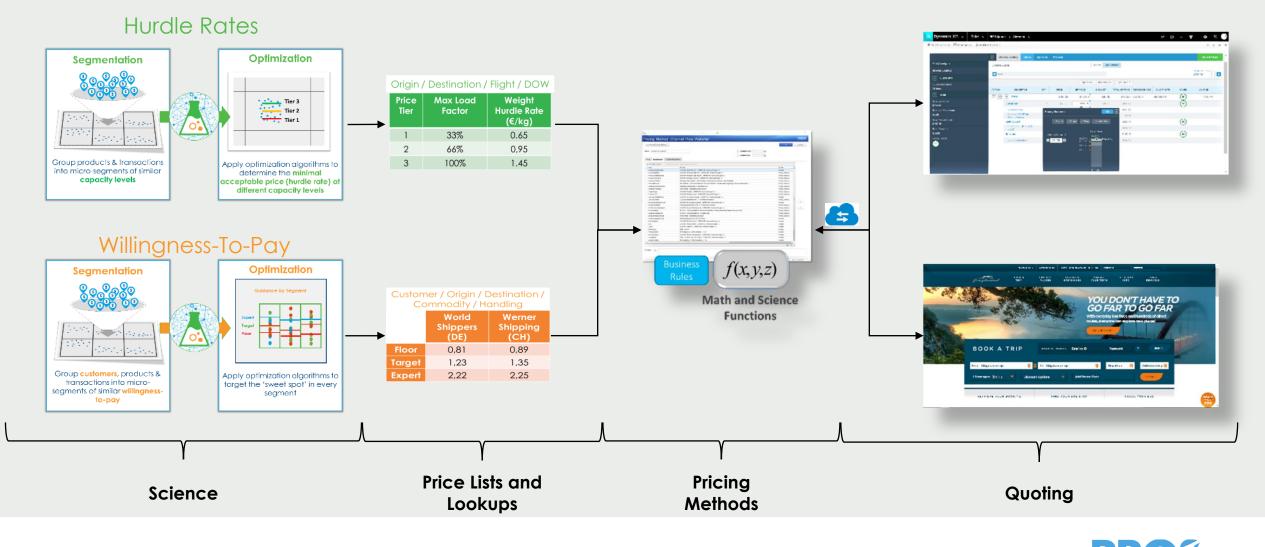
## **Project Milestones & Results**

- Milestones
  - Spot Sales Go-Live: August 2019
  - Contract Sales Go-Live: September 2020
  - API Self-Service Go-Live: March 2021
  - Portal Service Go-Live : S2 2021
- Results
  - Time to Quote reduced from 20 min down to 5 min
  - Quote Approval reduced from 80% down to 50%
  - **+800,000 Quotes** produced in 2020 (pics of +100 daily quotes per Agent)





### How we infused Dynamic Pricing into the Quoting Process



### Dynamics 365 v ..... Sales 🗸 PROS Quotes > Spot Quote >

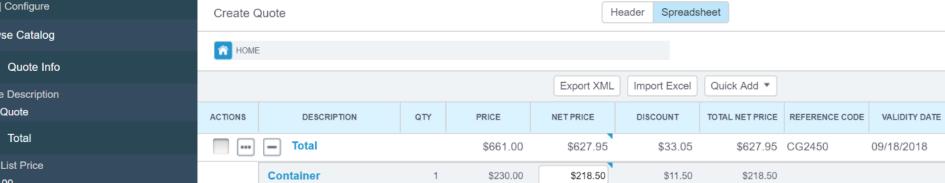
**Global Score** 

90

P QUOTE OVERVIEW. 🗈 START DIALOG 🛛 🖄 OTHER ACTIVITIES 👻

Browse Catalog Quote Approval Proposal Find | Configure Create Quote Header Spreadsheet Browse Catalog HOME Quote Info Export XML Quick Add 🔻 Import Excel Quote Description Spot Quote ACTIONS DESCRIPTION QTY PRICE NET PRICE DISCOUNT  $\left[-\right]$ Total Total -----\$661.00 \$627.95 \$33.05 \$627.95 CG2450 Total List Price \$218.50 Container 1 \$230.00 \$11.50 \$218.50 \$661.00 \$218.50 Frozen Fish Ins. LD-3 **Total Net Shipments** X Pricing Guidance Frozen Fish Ins. LD-3 \$0.00 \$0.00 **Pivot Weight Overage** Total Net Services Hurdle Rate Floor LHR to LAX Expert Target \$222.30 \$187.15 FL424, 607 LHR to HUB \$222.30 **Total Discount** to LAX **Final Price** \$33.05 \$187.15 Services Value (Amount) \$218.50

Export Declaration



- 115.74 +

\$218.50

\$193.20

\$156.40 \$115.74

**----4** \$115.74

\$-38.40

\$187.15

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TOTAL LIST PRICE

\$661.00

SCORE

90

90

90

90

Save & Close

WIN RATE

47.00 %



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+



# Digital Sales & Self service: Use Case





IAG Cargo adds IATA Net Rates to its digital Cargo has teamed up with IATA Net Rates, the n's air cargo rates distribution platform, to offer an onal digital platform to its

...

...see more



Three easy steps to booking: that is what the new online booking portal eBooking has been offering all Lufthansa Cargo customers since yesterday. All that is now required to make a booking is to define the shipment, choose the product and

**Bolloré** Logistics BOLLORE 173,108 followers 59m • 🕥

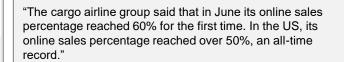
Bolloré Logistics is launching its new website!

At a time when digitization and worldwide context are transforming our business habits and activities, the new Bolloré Logistics website is integrated into a digital ecosystem and offers an architecture designed to respond quickly & efficiently to the expectations of sectors and players in the economy: Bolloré Logistics presentation, Offer Finder module, updates on geopolitical & sanitary situations (BREXIT, COVID-19), LINK platform, FAQ page & better management of the relationship...Design and ergonomics revisited, intuitive navigation: everything is designed for a better user experience.

Read more: www.bollore-logistics.com

#transport #logistics #SupplyChain #digitization #webs









triple in size By Rachelle Harry 27/07/2020

Digital booking platform cargo.one has raised \$18.6m in venture funding in its Series A round to help it achieve significant...



Digitalisation and partnerships key for Cathay Pacific's new head of cargo 16/10/2020



By Damian Brett



### Delta Cargo facilitates airfreight bookings with API interface

By Rachelle Harry

29/09/2020

Delta Cargo has launched its new, free application progamme interface (API) that enables its cargo customers to connect their own...



### Turkish Cargo continues to invest in digitalisation

By Damian Brett

24/09/2020

Turkish Cargo has continued with the digitalisation of its operations with the integration of Robotic Process Automations (RPA) to minimise...



### SIA deploys IBS Software's iCargo platform

By Rachelle Harry

17/11/2020

Singapore Airlines (SIA) has deployed IBS Software's iCargo cargo management solution to streamline its cargo operations across its network. SIA ...

Lufthansa Cargo launches new booking portal

**By Damian Brett** 

It's not "IF", it's "WHEN". A digital sales channel will become more and more expected going forward



## Digital Sales & Self-service: a shortcut to interact with customers

- 3 reasons why the air cargo company had to increase digital engagement with its customers:
  - 1. Interacting digitally with Customers is a key aspect of digital transformation
  - 2. Establishing a direct link to self-service requests or transactions (quote, allotment, booking...)
  - **3.** Requirement and cost of doing business
    - Trend in the industry (and society)
    - Expected by customers
    - Already offered by some competitors
- Benefits are both for the company and the customer:
  - **Time saved** and avoid data entry from sales staff, reinvested in other activities with higher value
  - More revenue: Instant reply = higher win rate
  - More revenue: better engage with **smaller customers** / markets
  - Better service: easy to deal with customer experience and avoiding manual entries to customers as well

### Digital Sales & Self-service: a shortcut to interact with customers

- How we implemented: a recipe that works well
  - Consistency across channels to avoid cannibalization
  - Managed at **local level**: quotes shall belong to corresponding booking office
  - Gradually: one step at a time: starting with 1 customer, 1 type of product (commodity)
  - **Take it or leave** it pricing: Online = 1 price (Target).
  - Not everything is eligible for online channels: "eligibility workflow"





# Wrap Up



### Lessons Learnt / Best Practices

- **Project sponsoring** from C-Level for alignment and execution efficiency
  - Cross-BUs Program (Sales, Revenue Management, IT)
  - IT support is crucial (data interfaces, system API-fication)
- Change Management is critical for project success
  - End-user champions onboarded since project kick-off and regular touchpoints (demos)
  - Local roadshows for education and training
- Clear definition of Pricing Policy
  - Identify key drivers / Adaptability to Market Dynamics
  - Strong maturity already existed in the organization

