Lufthansa Cargo AG

A SUCCESS STORY IN LOGISTICS
MANAGEMENT SYSTEMS

If a logistics services provider can streamline its workflow,

including both the order management and cargo handling processes, it can reduce costs and improve customer service to enhance competitiveness and return on IT investment. Lufthansa Cargo's core expertise is cargo handling, enabling it to set new standards for performance-guaranteed services, ensuring shipment delivery within specified time frames. But its customer ordering processes and systems were not keeping up, and threatened to become a customer service bottleneck. Lufthansa Cargo wanted to enhance these processes and systems by incorporating Internet technology and integrating the new technology with its legacy management systems.

Lufthansa Cargo AG, Frankfurt, Germany, markets and handles the transportation of cargo and mail in the Lufthansa Group. It augments its own air services with trucking services or flights operated jointly with partner carriers. In the international scheduled airfreight business, Lufthansa Cargo is the frontrunner among the IATA carriers and the world's number two cargo airline behind FedEx.

The Challenge

Lufthansa Cargo wanted to develop an Internet-based order management solution that integrated seamlessly with its existing legacy systems, thereby making booking simpler, faster and more accurate. Management wanted to process 80 percent of all transactions in less than 5 seconds, reduce the number of bookings that required manual intervention to less than 20 percent, standardize the booking process for all channels (i.e., Internet, intranet, and EDI), and ensure business continuity during implementation. Lufthansa needed an IT solutions provider with extensive experience in logistics – Perot Systems had the technical and professional expertise to deliver results.

Envision. Design. Deliver. **Lead.**

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The Solution

Electronic booking system cuts costs and improves capacity management.

Lufthansa Cargo chose to join forces with Perot Systems to develop its eBooking solution. Applying our proven Project Management Methodology, Perot Systems associates worked with Lufthansa Cargo professionals to define requirements. Then, drawing on our global resources, Perot Systems developed the technical architecture and the core "booking engine" software. Our domain and application experts implemented the solution by combining extensive business process knowledge in the air cargo industry with rapid and cost-effective SEI-CMM Level 5-certified software development and integration services.

Specialists at Lufthansa Cargo and Lufthansa Systems guided the integration of the new system into Lufthansa Cargo's existing IT environment, leveraging its legacy systems. The solution was implemented incrementally with complete business continuity. The eBooking system lets freight forwarders book any of Lufthansa Cargo's services via the Internet. It automates manual checks to ensure that capacity is available, that optimum routing is achieved, and that any special handling requirements are identified and met.

With eBooking, Lufthansa Cargo has streamlined its order management processes. The standardized booking process and the conversion to more cost-effective electronic channels reduces costs. Staff can also focus on proactive marketing rather than reactive order taking, all of which enhances Lufthansa Cargo's competitiveness. The eBooking solution is a differentiator that may lead to increased business and reduce the time to market for new products.

The eBooking solution is both reliable and scalable. It uses a standards-compliant, distributed-object, n-tier and Web-based architecture. This ensures easy migration to new technologies and potential integration to other systems and applications. CORBA, JAVA and UML have been adopted to meet these requirements. It is compatible with both MSIE and Netscape browsers.

The Revenue Management Module is an online rate retrieval and comparison tool. Each booking request undergoes a rate decision, independent from the channel in which the booking request was received. The Revenue Management Module is currently used by Lufthansa Cargo's internal bookings/sales staff for accounting and administrative purposes.

The integrated customer database facilitates customer identification and registration. The FCTL Module offers additional dedicated flight management procedures to optimize automatic booking.

The new Queue Handling Module supports revenue analysts in making optimized priority decisions on requests. The module offers new and more user-friendly capabilities, like visualizing pending queue entries and sort criteria.

Perot Systems measures its success by the success of its customers. Our experienced, skilled, and disciplined associates designed the eBooking solution to help Lufthansa Cargo get and keep valuable clients, and keep flying ahead of its competition.

We welcome your inquiries. Perot Systems' logistics IT expertise can develop and sustain solutions that streamline your workflow and reduce your costs to enhance customer service and your Return On IT Investment. Ask us to show you how.

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