

# benchmark

ISSUE 11 / October 2010

Newsletter for the supporters of Cargo 2000

## Cargo 2000 maintains momentum



Reports from C2K's Regional Directors

Importance to IATA's e-freight program

A common approach to detailed analysis training

How the auditing process works

Continuing to improve the quality of data



*improving the quality of air cargo*

# Cargo 2000 is here to stay

The progress we have achieved as a group in 2010, coupled with our strong growth in membership, is the clearest reminder that Cargo 2000 is here to stay.



**MICHAEL VORWERK**

Executive Director of Cargo 2000 and President of Cargo Network Services (CNS)

## In this issue...

### Welcome to the October 2010 issue of benchmark.

In this issue, you will appreciate the sheer volume of work being conducted by the Cargo 2000 team and our members. I particularly draw your attention to Thorsten Lafleur's article on continuing to improve the quality of data, as well as the reports on the importance of Cargo 2000 to IATA e-freight and developments in detailed analysis training.

I also want to thank Andrew Trail of The Shippers' Voice for his valuable input to our newsletter. He makes it clear that although shippers are supportive of Cargo 2000, they want to have a closer dialogue with us and they want us to make it easier for them to understand the work we are doing and the standards we are measuring by removing too much 'industry speak'. These are areas we are already addressing and we will continue to keep Andrew and shippers globally up-to-date with our actions.

As always, we welcome your ideas for future benchmark content. Thank you for your continued support.

Whenever someone challenges Cargo 2000, generally believing that they already have a better quality system of their own in place, our response will always be the same: "What are you measuring against?"

This, of course, is what shippers, the buyers of air cargo services, have always wanted to know. Statistics can mean anything if you set your own rules and measure milestones that you know are easy to attain. The difference with Cargo 2000 is that it is a benchmark for the performance of major suppliers in the air cargo supply chain against which we are all measured to the same standard.

We want every member to not only meet our required standards but to seek to surpass them because that is what quality is about; continuous improvement. At the same time, however, shippers looking to buy the highest quality services can be sure that when they look at the performance of Cargo 2000 members, it is a real and true picture of how they are delivering against the critical milestones in the air cargo process.

That doesn't mean we have yet achieved all of our goals but we are improving continuously. The current work being conducted by Thorsten Lafleur into data congruence reporting is part of that process and the commitment of the Cargo 2000 Working Groups is ensuring we are moving forward in our other areas of focus.

When people look at Cargo 2000 from the outside, the question we hear most often is why is implementation taking so long. The fact is that our members are using Cargo

2000 in their daily business operations and seeing measurable quality benefits – and therefore cost and productivity improvements but, as I said, quality doesn't have an end date. Once a business takes its eye off quality, standards start to slip. Once companies join Cargo 2000, they soon understand the scale of what we are doing, the progress being made but also the level of commitment they must make to enjoy the full benefits in terms of time and resources.

The one thing that is clear is that Cargo 2000 is not going to go away. It will continue to deliver improvements and give the performance benchmark customers actively support.

I am pleased to report that 2010 has been a great year for Cargo 2000 in terms of recruiting new members and our membership is at its highest level ever. As we complete this issue, we have been boosted by Iberia Cargo's decision to participate in Cargo 2000 and the airline joins Champ Cargosystems, CSC India, Iberia, Martinair, Plane Handling and Qantas that have all joined us in the last 12 months. We know from our current discussions that we will be announcing more new members shortly.



**MICK FOUNTAIN**  
Chairman

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## Cargo 2000 updates from around the world

For Cargo 2000's Regional Directors, the campaign to help members implement C2K's quality management system as well as promoting the benefits of membership to more companies is a daily activity. Here, Lothar Moehle (EMEA), Mike White (Americas) and Tom Presnail (Asia-Pacific) review their activities in recent months and look forward to the challenges and opportunities that lie ahead

### What have been the most important C2K developments/achievements in your region in the past six months?

**EMEA:** The revival of general economic conditions and the specific benefits this has brought to the airfreight industry after the global financial crisis was the most important aspect. Many of our members have continued to work on their quality programs even through the slow business period with the positive impact that costs could be lowered. During the last couple of months, we have experienced growing

interest from many potential new members about joining C2K. This is a combination of being able to shift their focus from "survival mode" to "quality improvement" as well as testimony to the fact that Cargo 2000 has become THE quality initiative in the airfreight industry.

**AMERICAS:** During the last six months, our prime focus has been to raise awareness of Cargo 2000 in Latin America. In June, we had the opportunity to meet with airlines, forwarders, shippers, handling companies and government officials in Mexico to give

an overview of C2K.

**ASPAC:** I would have to say one of the most important developments concerning C2K in this region has been the work accomplished and, in some cases still in progress, that is related to working with the new data congruency reports provided by Cargo 2000. Quite a number of our Asia-based members have been actively working with the new reports in an effort to identify issues that were causing inconsistencies and to resolve any identified issues. One of the most common being the month in

which a shipment is to be included in for reporting. Solving this assists all members by ensuring that when they are having bilateral discussions concerning monthly performance, they are indeed working from the 'same page' so to speak. This is, of course, a fundamental guiding principle within Cargo 2000.

#### **What are your top three objectives for the next six months?**

##### **EMEA:**

- Complete the large number of re-audits within our existing member group
- Assist members to gain higher quality levels and, at the same time, help new members to achieve the C2K implementation as well as their first quality audit

##### **AMERICAS:**

- Expand the profile of C2K in Latin America
- Local meetings in Brazil with current C2K members, interested parties and government officials
- Working with key members based in the region to determine the challenges they are facing in improving C2K KPI scores

##### **ASPAC:**

- Making further inroads within China ranks high on the list. As we all know, China is one of the most - if not the most - significant markets within the industry by the simple virtue of its vast size. There is no doubt that large amounts of investment in infrastructure have been made and all the major airports and cargo facilities are modern and well equipped. There still remains though an enormous amount of opportunity to improve process control, standardization and visibility. We wish to engage a number of the key national and regional stakeholders, carriers, forwarders and GHAs to encourage them to formally commit to the Cargo 2000 program. In the eyes of most what actually happens on the ground is still considered somewhat of a "black box environment"

*'Making further inroads within China ranks high on the list'*

- Also high on the priority list will be ensuring all member audits are up-to-date within the area

- Lastly, to continue to work through the local and regional association groups as well as with members directly in supporting their ongoing activities concerning Cargo 2000

#### **Has Cargo 2000 attracted any new members in your region in the past six months?**

**EMEA:** Yes, Plane Handling, the ground handling company at London Heathrow. Others are in the pipeline but it is too early to announce them yet.

**AMERICAS:** No new members have joined in the region but there has been much interest in joining.

**ASPAC:** Within the past six months we have seen the addition of two new members, Qantas Cargo and Cargo Service Centre India.

#### **Has Cargo 2000 lost any members in your region in the last six months?**

**EMEA:** Yes, but only technically. Austrian Airlines' business has been merged with Lufthansa and, therefore, the carrier group now has one less member.

**AMERICAS:** No.

**ASPAC:** Our current membership base in Asia remains stable with no resignations to report.

#### **How has the economic downturn and the start of the recovery impacted Cargo 2000 in your region in terms of how existing members are approaching their participation in the program?**

**EMEA:** With some members it was noticeable that they had focused more on business continuation and cost reduction, rather than continuing to work diligently on quality improvements. But now that situation has reversed yet again and most of our members are indeed paying a lot of attention to quality. Although some developments, e.g. IT upgrades, had to be postponed they are now back on the top of the priority lists. Our members are working with the C2K team on new reports (e.g. data congruency, milestone off-set comparison, etc.) and some substantial improvements have already been noticed.

**AMERICAS:** The economic downturn was a time for companies to refocus on quality. That period of time allowed many of our members to focus on improvement and use the C2K KPI's to be able to concentrate on areas that would help them be above their competitors due to quality improvements.

**ASPAC:** I would say for the most part that our members in Asia continued diligently working on quality improvement and, in many cases, strengthened their

*'Our prime focus has been to raise awareness of Cargo 2000 in Latin America'*

commitment to the program. Companies such as SATS and AAE worked during this period to actually achieve their certifications while HACTL and AAT were also preparing for their certification audits, which will be accomplished shortly. Qantas pushed ahead with major investments in their IT infrastructure and systems that led to their decision and ability to join the program. I am quite sure that all members were driven by the downturn to make conscious decisions whether to continue or not continue, and in the end the decision to push forward was made by most. Now that the market conditions are improving, I can see a little more breathing space for members to add resources to maximize the benefits that can be realized from Cargo 2000 participation. To that end we are in the process of developing a cost/benefit calculator that would provide current members as well as potential members with a \$value indication related to quality improvement through implementation of the Cargo 2000 process model.

#### **In terms of new members, are you optimistic more companies will join now that some optimism has returned in the air cargo market?**

**EMEA:** Yes, as I have stated the number of inquiries has increased again and some potential members are about to officially join the group. This is valid for the group of forwarders and carriers as well as ground handlers. GHAs are becoming more and more important in ensuring quality improvements can be achieved given their pivotal role in the airfreight logistics chain.

**AMERICAS:** Yes! Companies are more interested than ever in knowing about C2K. During the last six months, I have had more companies wanting to know the benefits of being a member and what it takes to join. There is growing interest in Area-1 from trucking companies that are an essential factor in the movement of air cargo in North America for airlines and forwarders.

**ASPAC:** Most certainly it will make the task easier for any members wanting to allocate new resources or possible additional investment. In terms of attracting new members, the ability to allocate new resources or funding during the downturn was very difficult as most

## *'Sometimes it is only a small issue that is stopping a partner in the chain from achieving much higher quality levels'*

organizations were forced to freeze all new spending initiatives. I would expect that as we move forward, the purse strings will loosen somewhat, especially for programs like Cargo 2000 which do hold the promise of more than paying for themselves with a healthy return on investment.

### **What particular challenges are you facing right now?**

**EMEA:** In each of our members, the number of people involved in their C2K program is constantly growing so there is a strong demand for training at various levels. Now, as C2K has become a mature and solid Management System, it is noticeable that the actual work in quality - thus C2K - has moved away from the members' head offices to their stations and branch offices. This provides new and interesting challenges but as C2K has already established many Local C2K Associations, we are working with the local experts to help them implement the C2K standards.

At the top of our priority list is the fine-tuning and finalization of the C2K Phase 2 Specifications (door to door shipments). Several of our forwarder members have implemented Phase 2 and as we are doing so, we are working on system improvements, e.g. starting from definitions up to reporting, so that all our Phase 2 certified members are working within an environment which can be easily benchmarked.

**AMERICAS:** Local association meetings are a challenge. Keeping local members engaged in communication is key to C2K so that members work local issues out, locally.

**ASPAC:** I am not so sure I would call it a challenge, perhaps more of an opportunity that requires our ongoing attention and by that I mean Local Association development. These associations remain, in my opinion, a great mechanism for enhancing the development and understanding of Cargo 2000 at a station level. They are an excellent opportunity for members to share their experiences, as well as enabling them to find possible solutions to common problems. In many though, attendance is often poor and the participants change from meeting to meeting, making continuity often a major issue. I am taking it as a challenge to work jointly with the local associations, their Chairs and Vice Chairs to resolve

this issue by attempting to initiate new areas for discussion as well as possible adjustments to the general structure of the sessions. Hopefully, with a continued focus in this area, we can convert the meetings into productive opportunities where local members can see a true benefit from their attendance.

### **What events/meetings are scheduled for your region over the next 6 months?**

#### **EMEA:**

- C2K Membership Meeting in London November 15th, 2010
- Other bilateral visits to our members

#### **AMERICAS:**

- Local meeting in Sao Paulo, Brazil - October 21, 2010

First Quarter 2011. This will be our first meeting of C2K members in the region. We will also be visiting local groups interested in Cargo 2000 and possible future members.

#### **ASPAC:**

- Regional as well as local association meetings are planned. We are evaluating participation in a number of events both in Hong Kong SAR as well as China.

### **How can existing members in your region help you more?**

**EMEA:** As we are all very busy with our day-to-day activities, it sometimes helps to remind ourselves what Cargo 2000 is all about. Cargo 2000 was founded as an organization to improve the quality of the airfreight industry. Whereas this is easily said, the founders had the foresight and vision to recognize that the actual achievement of higher quality levels is only possible when all participants in the airfreight transportation chain are working closely together as partners. That's why C2K has created all the tools and specifications to enable our members to achieve just that - quality improvements.

Working closely and diligently together, observing the obvious laws and regulations, includes open communication to eliminate misunderstanding and to enable our members to learn from each other. Sometimes it is only a small issue that is stopping a partner in the chain from achieving much higher quality levels. At the end of the day, this is all done to

achieve better customer service and customer satisfaction.

**AMERICAS:** If regional members are finding issues they should contact the Regional Director to assist if needed. All KPI's are important but NFD is an essential KPI that we would like local members to focus on more to help bring up the score. If you have suggestions, best practices or newly-found solutions, then share them with your Regional Director so others can benefit from you findings.

**ASPAC:** As always, existing members can assist by incorporating Cargo 2000 into their daily work routines as much as possible. Certainly when bilateral meetings and discussions are taking place, quality and performance reviews should be incorporated whenever possible. In fact, this activity should not be limited to just between members, it's equally important to have those discussions with non members and, of course, a few good words on the value of joining Cargo 2000 never hurts. I have on many occasions encountered situations with potential members where the strongest reason they do not belong to Cargo 2000 is the fact that none of their business partners ever indicated they need to or should consider it.



**Lothar Moehle**  
Regional Director  
Europe, Middle  
East & Africa



**Tom Presnail**  
Regional Director  
Asia Pacific



**Mike White**  
Regional Director  
Americas





# Creating a common approach to detailed analysis training

**In the last issue of benchmark we announced that a Cargo 2000 Basic Training Program had been developed and available via the link below for members to download.**

<http://www.iata.org/workgroups/Pages/cargo2000.aspx>

Once there, you can logon if you already have a user name and password or register if it's your first visit to the site. The training folder is located under the shared documents tab on the left once you enter the site. Thus far, the comments received have been quite favorable and a number of members have either received copies of the program or downloaded the training module from the site.

If you have any questions please do not hesitate to contact me at [presnailt@iata.org](mailto:presnailt@iata.org) or ask your own regional director for help.

### Detailed Analysis Training

For some time, we have been working to develop a training solution that would enable users at local or regional levels to make more productive use of the vast wealth of data and information that is the result of measuring and monitoring shipments within the Cargo 2000 environment.

One of the largest challenges confronting members is the time it takes to perform analysis of the potential causes of failures

at shipment level. Many members have created their own style of reports and these can, and do, vary widely from member to member. Another often voiced frustration is that reports containing enough level of detail (e.g. at awb level) are often distributed or available long after the end of a month - and often the report itself does not contain enough information to determine the cause of a failure.

The result is that members have to research every air waybill to find reasons for service failure, using their own operational systems or paper trails, all of which are enormously time consuming and often not very productive.

It was clear that we needed to develop a common report that contained certain common data elements presented in a standardized layout. This could then form the basis for developing common training on data analysis. The training would be initially deployed and piloted in a classroom setting, most likely alongside Local Association gatherings. Other scenarios for delivering the training could be explored and developed going forward.

Following the last Working Group session,



CDMPc providers and those members with their own CDMP, were asked to confirm the feasibility of generating such a common report. All replies received to date indicate that it is possible. This in my opinion marks a major step forward. Development times and cost would vary by provider, which is a matter for discussion between members and their respective CDMP partners.

The next step will be for member organizations wishing to facilitate such training possibilities for their own staff to arrange for their CDMP providers to develop and provide such a report. Once a reasonably sufficient number of members have done this, we can commence with the planning of the initial training sessions.

**Should any members have additional questions or need further assistance, please contact [presnailt@iata.org](mailto:presnailt@iata.org).**

# PERFORMANCE REVIEW



## Volcanic ash casts a cloud over Q2 results

Hopes of a quick recovery from the winter storms of the first quarter of 2010 were quickly dashed by airspace closures as a result of volcanic ash clouds, writes Phil Sims.

Whilst April took the main brunt of the disruption, further incidents in May

ensured that quality Key Performance Indicators continued to under-perform those of last year. Despite the disruptions though, volumes continued to show growth over last year with Q2 reports covering 3.6 million shipments, a 3.7% increase over the same three months in 2009.

This meant that the first six months of 2010 recorded an overall 4.4% increase in

reported shipments over January to June 2009. Within this figure, Phase 1 (Airport to Airport) Cargo 2000 shipments grew at a faster rate, logging a 9% increase in the second quarter and providing a boost to the half year result of 11% versus the opening six months of 2009.

The brightest spot for quality was FWB performance – the correct receipt of electronic air waybill data by the airline from the forwarder – which averaged 91% in the second quarter, 1% below Q2 in 2009. This took the first half average figure to 91% which was unchanged from 2009.

Flown-as-Planned and the Notification from airline to forwarder that goods and documents are ready for collection (NFD), were of course heavily impacted by the airspace closures. Q2 averages for FAP were -4% on last year and -4% for the half year average at 87%. NFD measures were -4% on last year for Q2 but -5% on last year for the January to June period, creating an average performance of 82%.

Members now face a tough challenge to bring these figures up into positive territory during the last two quarters of the year. A first look at July's figures suggests we are moving in the right direction whilst we hope that Mother Nature gives us a smoother flight path in the second half of 2010.

### LATEST PERFORMANCE DATA – AUGUST 2010

\* Data compared to August 2009

#### SYSTEMWIDE

Route Maps created	1,238,775 [-94,062 or -8% ]
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#### PHASE 1 C2K SHIPMENTS

Phase 1 shipments measured	157,151 [+15,441 or +11%]
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Flown-as-planned	89% [-2%]
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FWB correct	91% [-1%]
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Booking quality level & accuracy of electronic data	91% [-1%]
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% On time	85% [-1%]
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Notification of freight and documents availability	85% [-1%]
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#### PHASE 1 NETWORK SHIPMENTS

Flown-as-planned	89% [+1%]
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% On time	85% [+2%]
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Notification of freight and documents availability	85% [+2%]
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## Continuing to improve the quality of data

**In the last issue of benchmark we highlighted the new work being carried out in relation to data congruence reporting.**

So where are we in terms of generating this enhanced level of analysis and how are we making progress in identifying discrepancies and potential system issues that impact quality measurement?

### Improved data congruence

The new data congruence reporting is a key element of the "Energizing the C2K foundation" initiative which is one of our top priorities for 2010. It is the validation of synchronized data provided by airlines and forwarders to C2K. This monitoring and reporting is especially important within a multiple system environment as developed in C2K to operate with multiples IT systems delivering C2K Data Management Platform (CDMP) services: the challenge is to keep all the individual systems synchronized. In C2K terminology "Data Congruence" is the process of validating that this synchronization is working correctly and that airlines and forwarders are in fact seeing the identical results when looking at the same shipments. It ensures integrity of C2K performance measurement and that all parties are reporting and comparing the same data when measuring KPIs.

Besides the matching function of the AWB data, it was determined that the new data congruence report should also compare the matched AWBs regarding performance

for Electronic Master Air Waybill data (FWB), Flown-as-Planned (FAP) and Notification that freight and documents are ready for pick-up (NFD). As reported in the last newsletter, the conceptual idea of the new report was developed in October last year. First pilot reports of the new data congruence reporting were produced with January data and full implementation of the new report was started with February data. After processing the February and March data, further changes were made in order to produce more effective reports and a new set of business rules for determining matched air waybills and KPI performance matching were implemented. In addition, a CDMP congruence report was introduced that performs a data congruence analysis on a CDMP-to-CDMP basis. These changes and reporting improvements were well received and agreed upon at the C2K Working Group meeting in Geneva in June.

The new report is used by reporting members on a monthly basis to check data discrepancies and to initiate corrective actions in a timely manner. In the months after the full implementation we were able to improve the performance level for data congruence. Thus the new reporting provides us not only with more transparency but is also a very efficient tool to continuously ensure a high level of data quality and data integrity which is a constant focus for Cargo 2000 as it clearly underpins our whole Quality Management System. With considerable work now in progress, we will keep you informed on

improvements to reporting and tools. Since we are working within a multiple system environment it is important to monitor quality of data regularly and implement instruments, such as data congruence reporting, which support this process and help us to identify any data issues quickly as part of data quality assurance.

### Enhancing C2K platform

The implementation and usage of the data congruence reporting is not the only priority in 2010: we have started and continued to work also on other activities to further develop and enhance the C2K platform which were discussed at the latest Working Group meeting in Geneva in June, attended by more than 50 representatives of C2K members. The agenda for the meeting focused besides the mentioned data congruence and the newly introduced milestone deviation (NFD) reporting (to monitor discrepancy in planned milestone and actual achievement), also on problems revealed by the analysis undertaken from the new reporting, on the planned enhancement of the C2K BRAVO application, the further development of the Phase 2 (D2D) specification and the new GHA operational performance reporting as well as the improvement of the FWB data quality. Working results and status of these activities will be presented and discussed at the upcoming Working Group meeting in Montreal from 9th to 11th of November.

**Thorsten Lafleur**  
Technical Director Cargo 2000



Shippers want closer dialogue and clearer information

## The real attraction of Cargo 2000

**Andrew Traill, founder of The Shippers' Voice, gives his view on the priorities for shippers when it comes to service improvement and explains why, for the ultimate customers of the air cargo industry, Cargo 2000 plays a very important role.**

The shipper needs to be brought more into the dialogue between carriers and freight forwarders over service development issues. The role of the freight forwarder is not in question but I do believe the shipper relies too heavily on them to represent shippers' interests in this sector. I believe this creates a risk that the shipper becomes too remote from the carriers for the latter to understand what the shipper wants and needs by way of service.

But to be able to conduct closer dialogue and establish better communications, the shipper needs information about the current levels of service, and where in the process performance exceeds expectations and where it falls below expectations.

That's where Cargo 2000 can play a very important role: the results of carrier and freight forwarder performance each month should be able to describe how well individual air freight carriers, freight forwarders and, more importantly, the individual air freight chain on specific routes has performed; but that is not enough either. Explanations are required as to where in the chain things work well and where they don't and why. If we understand that last point, then all in the

chain are going to be in a far better position to do something about it and quantify the impact of different solutions. That is why the measures must be made from door-to-door, not just airport-to-airport or freight forwarder-to-freight forwarder; otherwise we may only have half the story to work with.

If one is to improve the performance and image of the whole sector, accurate comparisons of performance are required. Who is to say that one company's 97% flown as planned is actually another carrier's 85%? It is not enough for any carrier, freight forwarder or shipper to simply conduct their own performance measurements: there must be a standard, high level set of measurements across the industry. That is the real attraction of Cargo 2000.

Getting that message widely understood and accepted is one challenge; getting people to understand the output generated by the performance reports is another.

The reports need to be clear; the measurements clearly explained; the causes of poor performances identified; possible and actual solutions proposed. Then the shipper community will truly recognise

the importance of the initiative. Currently there is too much jargon in these reports: do not forget that for many who use air freight, they are not experts and they rely on the freight forwarder to deal with most things. Inconsistencies and/or lack of clarity between the use of terminology about shipment volumes and freight volumes, C2K and non-C2K volumes are just a couple of examples where confusion might arise. So-called Phase 2 volumes also needs explaining, as do some of the abbreviations used, which although common-parlance within the air freight sector are not so among many of the customers nor, indeed, among those attempting to report the C2K results.

I have long been a supporter of this initiative: it is good to see member carriers and freight forwarders undertaking such measurements and making their results public. This gives shippers the opportunity to challenge those carriers and forwarders they use whom may not be in Cargo 2000, to encourage them to join and measure their performance along with the others, and also to see what they are doing to improve performance. In spite of some of the results remaining lack-lustre or disappointing in many cases, 'hats off to them' for actually doing this, I say.



**Andrew Traill**  
The Shippers' Voice

**theshippersvoice**  
www.shippersvoice.com

The Shippers' Voice is an independent information portal. It is not a lobbying organisation but provides a medium through which information can be presented, in the form of opinions, policies and insights, specifically on issues important to shippers, and revealing what shippers may be thinking and saying on the issues. Visit [www.shippersvoice.com](http://www.shippersvoice.com) and register with us to receive regular newsletters and further services as they develop. The Shippers' Voice reaches an audience of over 2,500 registered shippers and freight professionals and has over 4,000 unique visitors each month to its our website.

***'It is not enough for any carrier, freight forwarder or shipper to simply conduct their own performance measurements: there must be a standard, high level set of measurements across the industry. That is the real attraction of Cargo 2000.'***



# The Cargo 2000 auditing process

**Audit subject: Members who are implementing Cargo 2000 within their network may request an audit to certify their existing Quality Management system.**

All stations or branch offices where C2K has been implemented and where monthly data is being provided in accordance with Cargo 2000 Reporting Procedures will be listed in the C2K Quality Certificate. As the member continues to implement C2K and starts planning, measuring and reporting on all shipments within their network\* a second audit would be undertaken to obtain a certificate stating that the member has implemented the C2K requirements at "all published network stations".

The validity of a C2K Quality Certificate is limited to a maximum of 3 years from the audit date and the cost for the original, second, and re-certification audits are included in the annual membership fees. Additional audits may be scheduled, if and where necessary, subject to the fees shown in the current version of the C2K membership agreement.

## **Audited Members**

Depending on the type of membership, the audit details might be slightly different but the principle requirement members need to satisfy is to have a well functioning quality management system, supported with solid internal auditing schedules, corrective-

and preventive action procedures and management reviews. These are all a common basic requirement.

Presently, Cargo 2000 audits and certifies:

- Airfreight carriers
- Airfreight forwarders
- Ground handling companies
- IT/CDMP providers
- Road Feeder Service providers

As a next step, we are working with our Airport members on a meaningful Quality Management System so that in future we can certify Airport Operators as well.

\* As per the current definition approved by the C2K Membership.

## **Audit and Auditors**

Currently, the C2K Board has appointed the 3 Regional Directors to carry out member quality audits as part of their core activities.

The auditor will schedule the audit with the member and will inform the member about the audit scope and requirements to facilitate timely preparation.

The audit includes:

- Reporting analysis
- Is the member sending reports on time
- Is the report quality sufficient (standard used, correct codes)

- Are all mandatory shipments being reported (e.g. DT, Non-C2K)
- Data analysis at high level (data congruence, KPI benchmark)
- General requirements
- Quality Manual
- Measuring and Reporting
- Are all stations reported
- Improvement + Corrective Action procedures
- Process and Process control
- Quality Measurement and Internal Audits
- Preventive Actions procedures

During and after the audit meeting, the auditor will write a report which will be reviewed with the member's representatives at the conclusion of the audit. If any "observations" or "non-conformity" have been noted, then the member has to provide the auditor with an "open issue log" with specific timelines for correction. The member and auditor will then follow-up in a timely manner.

If a member cannot correct an open issue within the stipulated timeframe, or if there is a reason for the member to "object" to the observation or non-conformity, then the case will be referred to the C2K Board Audit Committee for review and ruling.

All individual audit reports will be kept on file by the auditor for later reference.

### C2K and continuous improvement

Based on the principle requirement of any well-functioning Quality Management system, the C2K organization is following the principle of continuous improvement for its auditing process. As our members have achieved their first goals, new goals are being set. As we are learning from and promoting best known methods and practices within the membership, we take some of them as future minimum standard requirements, so that all other members can benefit from proven quality improvements as well.

As such, the audit topics are not static but are continuously being fine-tuned and adjusted as per the requirement of our membership and market.

Overall, the members of the Cargo 2000

organization and the C2K management team are ensuring that the C2K Quality System is, and remains, a valuable tool for members in their drive to achieve higher quality levels within the airfreight industry.

### Audit schedules

For 2010, the C2K management team had set a very ambitious goal to audit or re-audit all existing C2K members as a top priority so that all reporting members are working from same level. The team is proud to report that we are ahead of our schedule and that we will achieve this goal.

In 2011, the C2K management team will be working with all members who are presently working on Phase 1/Phase 2 implementation as well as new members.

### C2K Quality Certificates

Once the auditor is satisfied that the member is operating, and will continue to operate within the requirements of the

C2K Management System, a certificate – signed by the Chairman of the C2K Board and countersigned by the auditor – will be issued to the member company.

Where “observations” or “non-conformities” have been noted they have to be closed prior to a further review by the auditor. Only when all outstanding issues have been addressed and finalized is the auditor authorized to issue the Quality Certificate.

But at the end of the day, the C2K Quality Certificate is just a piece of paper which may be framed and hung on the wall. More important is the fact that the underlying quality management and processes C2K puts in place will help the member to achieve higher quality levels and substantial cost reductions.

**Lothar Moehle**  
Regional Director, EMEA

## Cargo 2000 Members (as of October 2010)

### AIRLINES

- Air Bridge Cargo [+]
- Air Canada (\*)
- Air France (\*)
- Alitalia (\*)
- American (\*)
- British Airways (\*)
- C.A.L. [+]
- Cargolux (\*)
- Cathay Pacific (\*)
- Delta (\*)
- Egyptair [+]
- Etihad (\*)
- Finnair [ t ]
- Iberia [+]
- KLM (\*)
- Korean (\*)
- Lufthansa (\*)
- Martinair [+]
- Polar [+]
- Qantas [+]
- Qatar Airways [+]
- SAS (\*)
- Saudi Arabian Airlines [+]
- Singapore (\*)
- South African Airways [+]
- Swiss (\*)
- Turkish Airlines [+]

- United Airlines (\*)
- Virgin Atlantic [+]

### FORWARDERS

- Agility Logistics (\*)
- Aramex [ t ]
- Cargomind [ t ]
- CEVA (\*)
- Consolidators International Inc. [+]
- DHL Global Forwarding (\*\*)
- Geodis – Wilson (\*)
- Hellmann [+]
- Kuehne + Nagel (\*\*)
- OHL [+]
- Panalpina [+]
- Schenker AG (\*\*)
- SDV Intl. Logistics (\*)
- UPS Supply Chain Solution [+]
- Uti [+]
- Yusen Logistics Co., Ltd. (\*\*)

### GROUND HANDLERS

- AACT [+]
- Asia Airfreight Terminal [+]
- Australian Air Express (\*)
- Aviapartner (\*)
- Cargo Center [+]

- Cargologic (\*)
- Groundforce (\*)
- CSC India [+]
- Hong Kong Air Cargo Terminals Ltd. (\*)
- International Cargo Centre Shenzhen (\*)
- Kenya Airways GHA Div. [+]
- Plane Handling [+]
- SATS Ltd. (\*)
- Servisair UK [+]
- Swissport (\*)
- TAT (\*)
- Worldwide Flight Services [+]

### AIRPORTS

- Amsterdam Airport Schiphol / Cargonaut [+]
- Fraport (Frankfurt Airport) [+]

### TRUCKERS

- Wallenborn [ t ]

### TECHNOLOGY PROVIDERS

- Airclit [+]
- British Telecom (\*)

- CCN (\*)
- Champ Cargosystems (\*)
- Descartes Global Logistics Network (\*)
- GLS (\*)
- IBS Software Services [+]
- Mercator [+]
- Riege Software (\*)
- Traxon (\*)
- Unisys (\*)

### KEY:

(\*) = Active Members who obtained the C2K Quality Certificate

(\*\*) = Active Member who obtained Phase 2 certification

[ t ] = Members who are presently testing the C2K Quality Management System

[ + ] = Members who are yet to implement the C2K Quality Management System



### Contact

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[www.cargo2000.com](http://www.cargo2000.com)