



Development of Air Cargo Digitalization in Response to COVID-19

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AGENDA

- **Role of an airport operator**
- **Digitisation of the cargo process**
- **Impact of COVID-19**

THE ROLE OF AN AIRPORT OPERATOR

FROM REAL ESTATE INVESTOR / PROVIDER TO...



... THE CONDUCTOR OF THE CARGO ORCHESTRA



... THE CONDUCTOR OF THE CARGO ORCHESTRA



DIGITISATION OF THE CARGO PROCESS

WHY CAN WE NOT DO ON CARGO WHAT WE CAN DO ON THE PASSENGER SIDE



If you take an aircraft in JFK...



Passenger side made the switch



Who are the winners in our industry?
INTEGRATORS

WHY DATA SHARING FOR AIR CARGO?

Scattered landscape – Fragmented Industry



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Scattered landscape – Fragmented Industry



TRUCKER



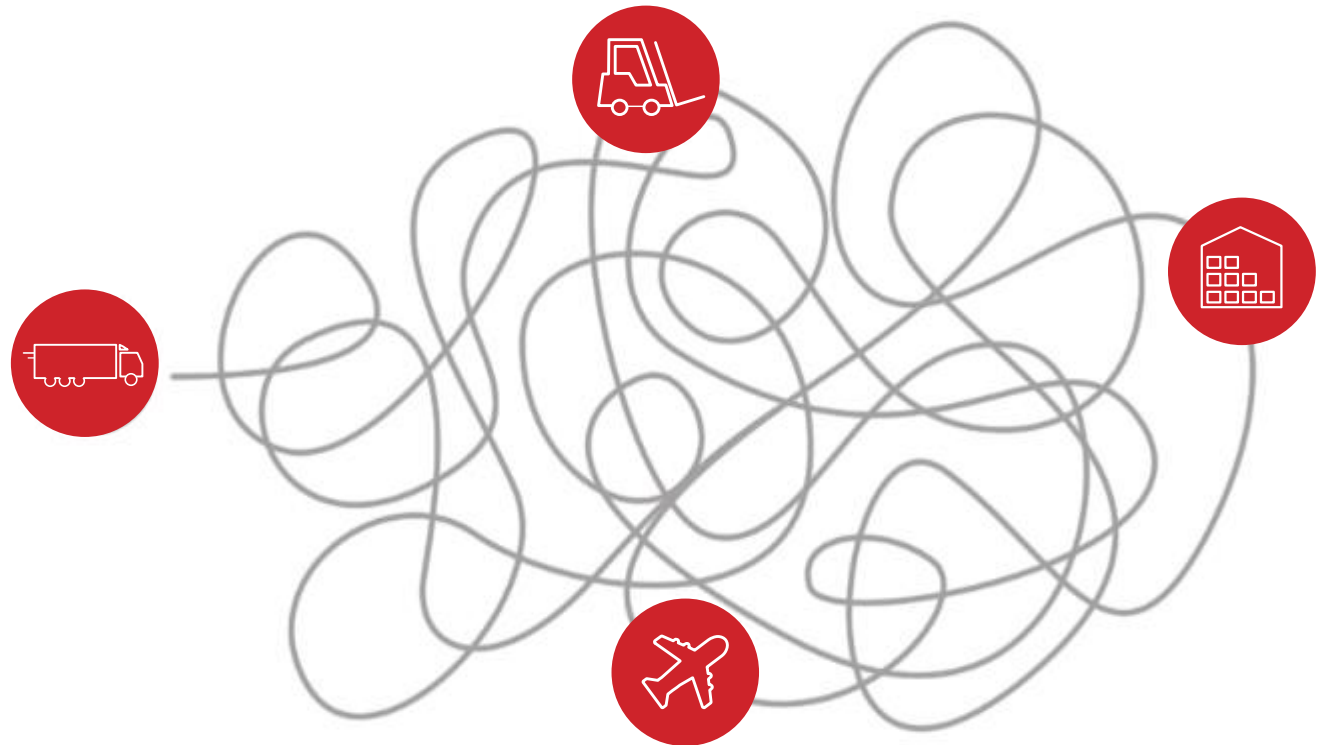
FREIGHT
FORWARDER



AIRLINE CARGO
HANDLER



FREIGHT
FORWARDER



WHY DATA SHARING FOR AIR CARGO?

New entrants are eating a big part of the cake...

Since the 90ies



WHY DATA SHARING FOR AIR CARGO?

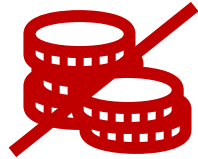
New entrants are eating a big part of the cake...

Recently



WHY DATA SHARING FOR AIR CARGO?

And many more challenges...



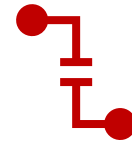
Lack of investments to
innovate



Slow adoption of
technologies



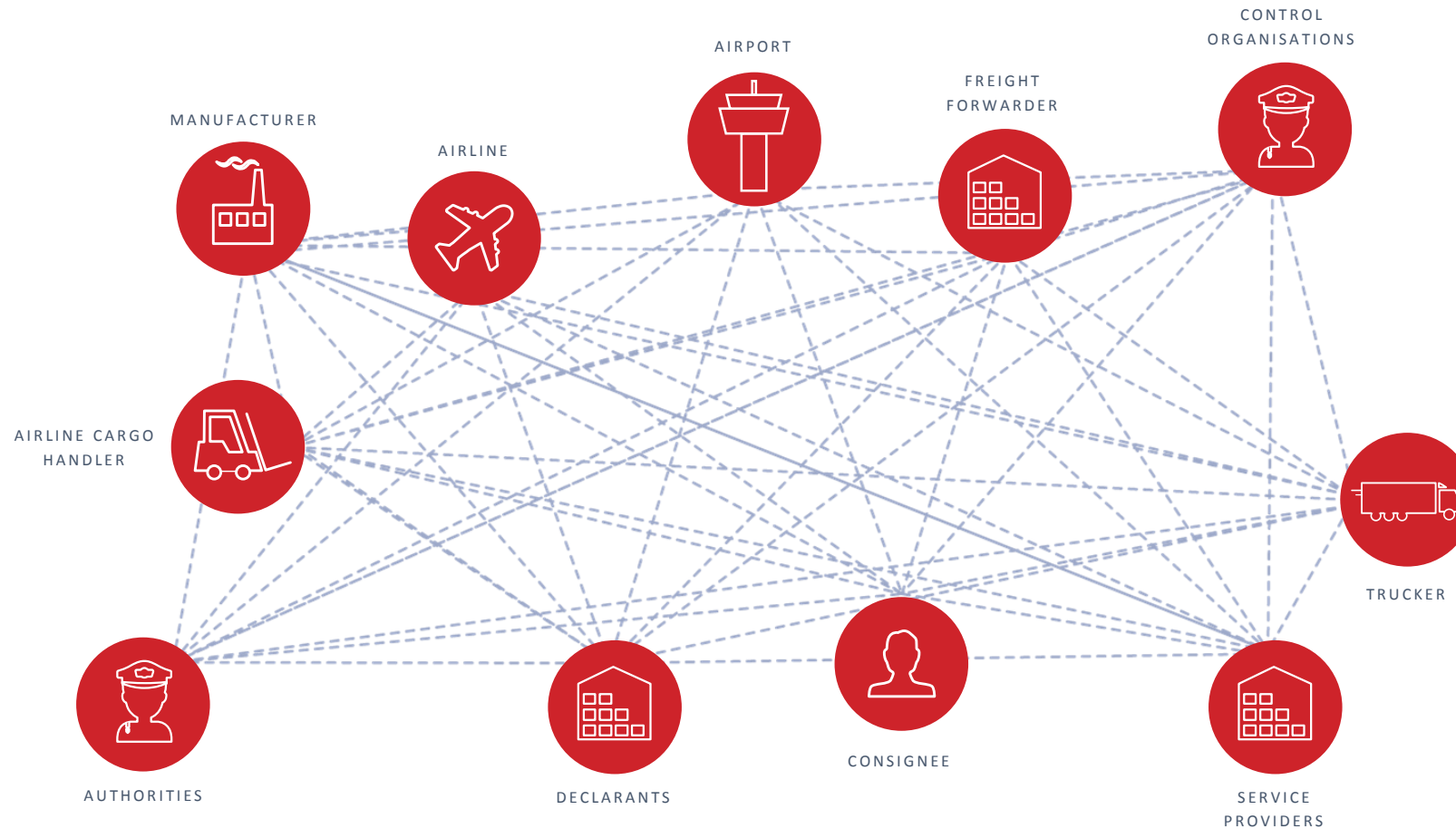
Lack of transparency



Airport congestions

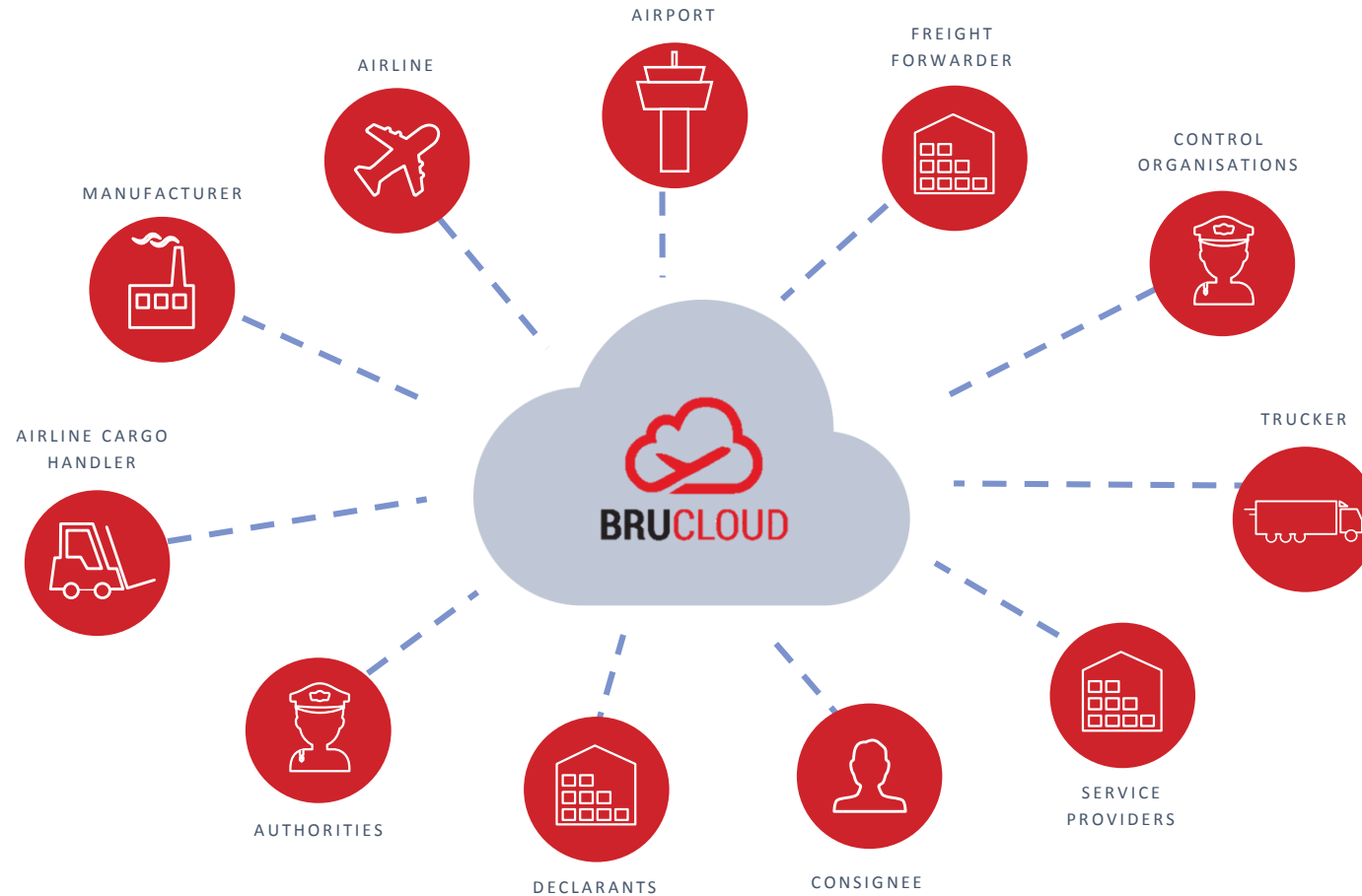
WHY DATA SHARING FOR AIR CARGO?

Inefficiencies, Errors, No Visibility



WHAT IS BRUCLOUD?

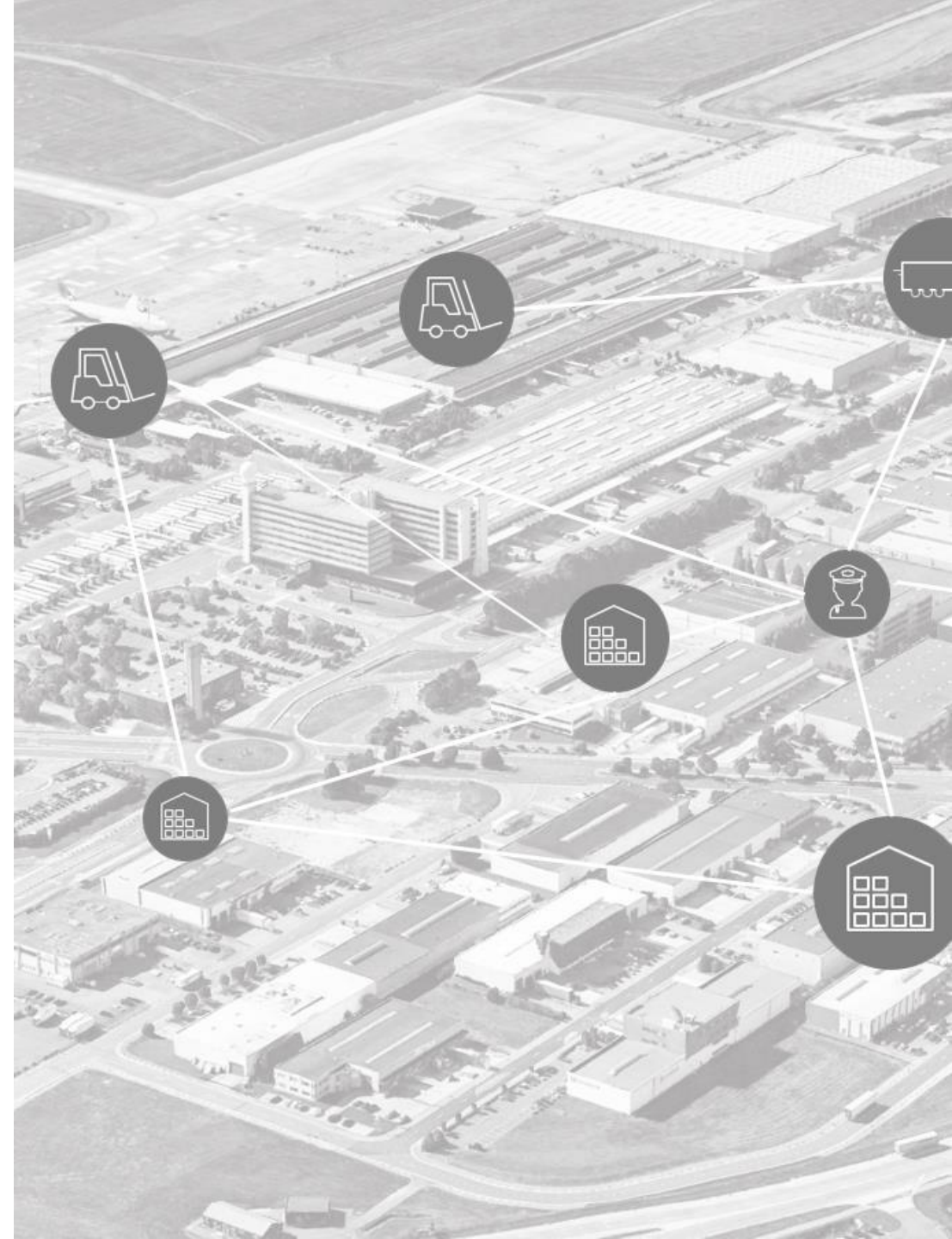
What if we start sharing data...



WHAT IS BRUCCLOUD?

The Essentials

- **Open data sharing platform**, with multiple **collaborative apps**, enabling to work more integrated and act as a network
- Secure data sharing - Nallian
- Agile and flexible
- **Integrate** not replace
- Limited investment cost
- Offer **smart logistical solutions** to the local Air Cargo Community
- **Long term focus** and linked to global data backbone (cloud of the clouds)



IMPACT OF COVID-19 CRISIS

**NEVER WASTE
A GOOD
CRISIS**

DHL TREND MONITOR



4th Edition

5th Edition

DHL TREND MONITOR

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Looking Forward: Building Resilient, Sustainable, and Future-Proof Supply Chains

While COVID-19 commandeered the strategic agenda of virtually every supply chain organization in 2020, it must be recognized that complications from the global pandemic are amplifying several trends. These trends have been shaping the logistics industry for years – the need for resilience, sustainability, and technology maturity in supply chain organizations.

Managing risk with resilience

Efficiency has long been the number one supply chain priority for most companies. Efforts to minimize overall cost have driven the development of low-cost sourcing strategies and just-in-time delivery in many industries. For the most part, these approaches have been extremely successful but recent events, from trade wars to the coronavirus, have brought their weaknesses into the spotlight.

Volatile demand, supply interruptions, and the imposition of new tariffs leave companies scrambling to reconfigure their supply chains. That can be difficult to do when there is little slack in the system or



Figure 10

when critical materials are only available from a single supplier or a single region.

For most companies, supply chain risk management is a reactive process. When problems occur, a company builds a temporary taskforce to manage issues on an ad hoc basis. That strategy works, but it can mean precious time is lost as organizations pull together the people, resources, and information required to mount an effective response.

The frequency and severity of recent disruptions encourage many organizations to rethink their approach to supply chain risk. Leading companies are now building proactive risk management systems with a focus on digital tools and well-rehearsed mitigation strategies.

Consultancy PricewaterhouseCoopers (PwC) expects significant growth in the adoption of tools that automate the collection and analysis of supply chain

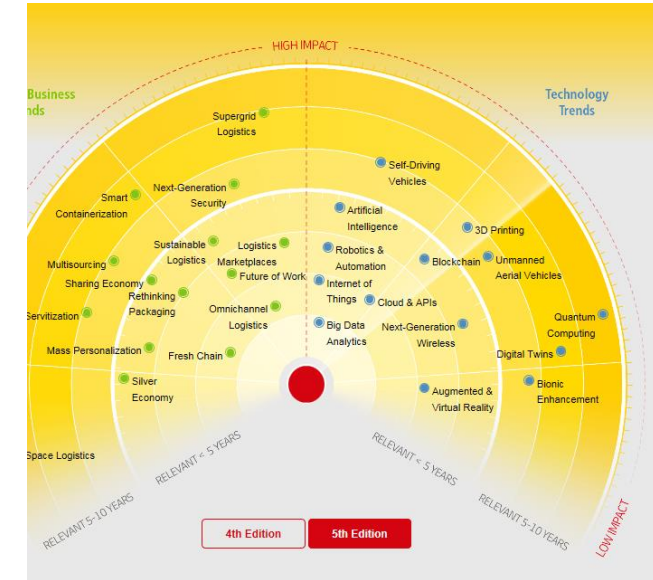
data. Advanced visibility and control platforms will improve a company's ability to understand and react to fast-changing situations but the unpredictable nature of supply chain disruption often means that people, not algorithms, are needed to coordinate an effective response. As resilience and agility become key dimensions of performance, demand for skilled supply chain personnel is likely to rise, with knock-on effects in recruitment, training, and career development approaches.

The difficult operating environment of 2019/2020 has increased interest in multisourcing strategies, with proponents valuing the increased flexibility and resilience that is brought by sourcing critical parts, materials, and services from a diverse set of suppliers. Rising labor costs and increased automation are opportunistically eroding some of the cost advantages of traditional supply chains to the benefit of under-tapped, alternative geographic regions. We expect multisourcing to be on the agenda for the coming years, driven by the enduring macro-force of globalization,

but we consider a fundamental reconfiguration of manufacturing and logistics in the near future as unlikely. In surveys, 84% of businesses currently producing in China have no plans to move their manufacturing operations out of the country, and 74% of companies that source from China say they will continue to do so.

For many organizations, supply chain diversification is likely to be a key part of long-term resilience plans. Sourcing critical goods and services from multiple suppliers in different regions provides companies with more options when problems occur, and the same logic supports the use of multiple production facilities and distribution locations. In the coming years, we expect more organizations to adopt a China Plus One strategy, with suppliers and manufacturing capacity in the country supported by alternative sources and facilities elsewhere.

Figure 10: Due to COVID-19 travel restrictions, airlines like Lufthansa have swiftly enacted resiliency measures, repurposing seating areas for cargo transport to offset the rapid decline in passengers.



DEVELOPMENT OF AIR CARGO DIGITALIZATION IN RESPONSE TO COVID-19

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Figure 11
airlines in...
measures...
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- 9/11
 - Airline bankruptcies
 - Financial crisis
 - Volcana outbreaks
 - Covid-19
 - ...
- From crisis management to a sustainable and future proof supply chain



**World Air Cargo Awards
Airport of the Year**

Criteria:

- Commitment to cargo development
- Availability of cargo facilities
- Efficiency of cargo operations

2014: Winner

2015: Winner

2016: Winner

2017: Winner

2020: Winner



2018: Winner of the Information Technology for the Air Cargo Industry Award with BRUcloud

2020: Winner of the Industry Achievement of the Year for the community initiative Air Cargo Belgium.



THANK YOU!