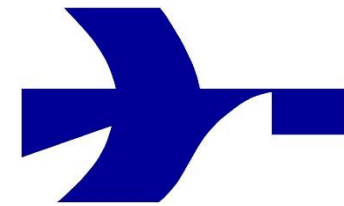


Supply Chain Integration Working Group session

on 4 Sept 2019

Postal Transport – Hongkong Post
Sharing on management of linehaul for EMS

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING
2-6 September 2019 , Tokyo, Japan



Leg 2 Operational Challenges and Opportunities



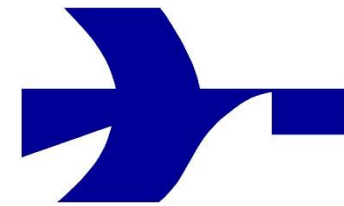
Line-haul Reliability



Ground Handling Management



Integrating Technologies



Leg 2 Operational Challenges and Opportunities



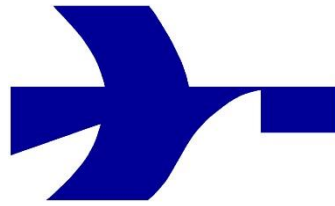
Line-haul Reliability



Ground Handling Management



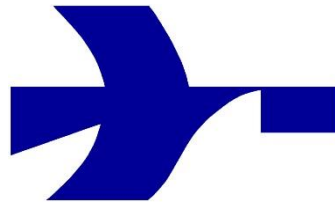
Integrating Technologies



Key Challenges in Leg 2 Line-haul

- Static forecasts of changing demand
- Lack of visibility in linehaul
- Responsibility transfers between parties in Leg 2
- Varying prioritisation between Posts and airlines
- Varying scanning performance and technology
- More volumetric 'Mail' has become less attractive to airlines

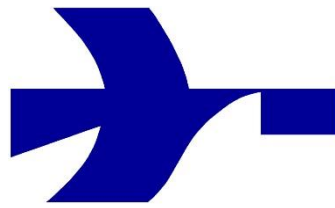




Key Principles of Line-haul Reliability

- Refine forecasting methods
- Avoid transit or freighter flights as much as possible for EMS
- Contractually require airlines to scan to improve visibility
- Review airline contract in terms of price and performance
- Increase quality of mail-preparation
- Monitor performance regularly and share with airlines

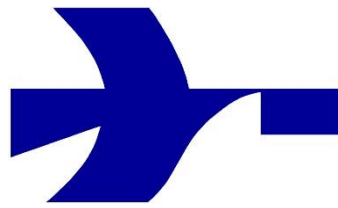




Loading Quality of Air Container and Pallet

- Mixed loading unit can have negative impact on prioritization at uplift, transit and destination.
- Many Posts implemented dedicated buildings for tracked packets leading to mis-deliveries of mixed EMS.
- Access to the EMS is after the lower priority traffic (e.g. packets/first class mail)





Leg 2 Operational Challenges and Opportunities



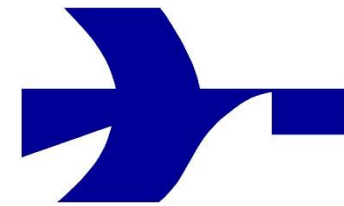
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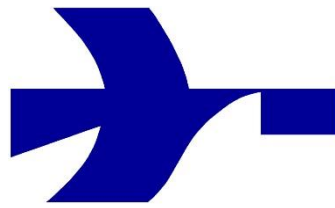
Integrating Technologies



Opportunities: Mail Registration Device (MRD)

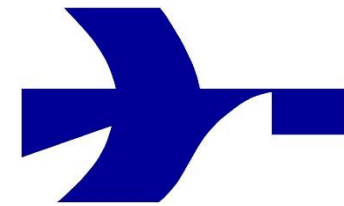
- MRD provides definite electronic record of proof of delivery at the Destination Post facility
- Scan performed by GHA
- In place in:
 - USA
 - Los Angeles
 - San Francisco
 - Miami
 - France
 - Great Britain
 - Spain
 - Australia
 - Sydney





Opportunities

- Integration of Ground Handlers Service Level Agreements in all airline contracts
- Mail Registration Devices deployment and integration
- Investments in infrastructure, staffing and/or equipment to manage the flow of volumes received



Leg 2 Operational Challenges and Opportunities



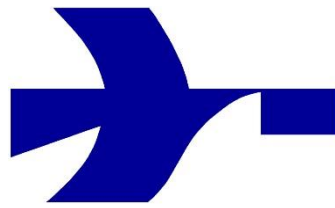
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Ground Handling Management



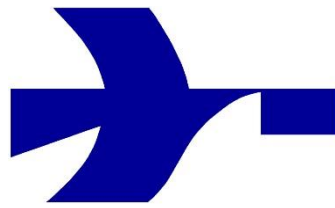
Integrating Technologies



Integrating technologies – Postal Air WayBill

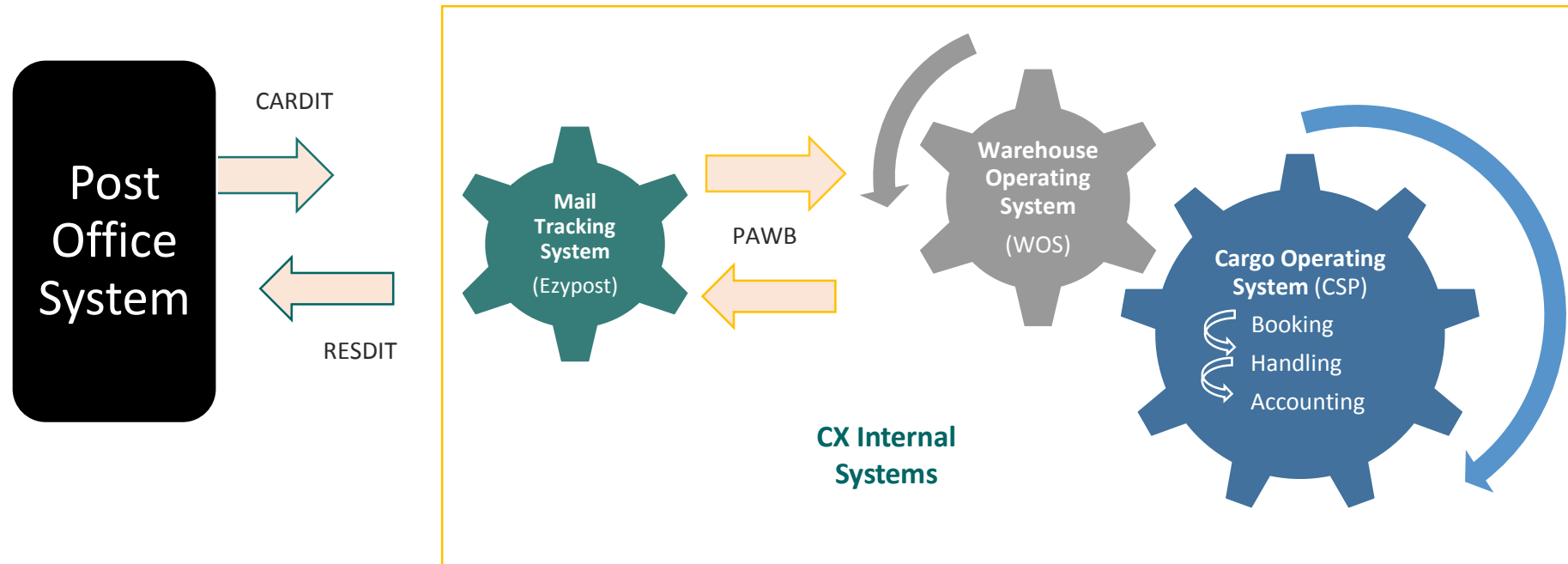
Opportunities to improve:

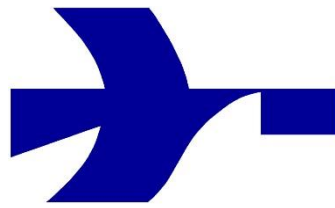
- There is limited visibility in Leg 2 of postal traffic versus commercial cargo
- Visibility using the postal standard is manually-intensive and out-dated
- Various transport groups in the postal community have looked for solutions but progress has been very slow
- Opportunity for Posts to collaborate with an airline and develop a pilot in this area



Key Objectives for CX Mail as Cargo Project

- Expand and optimize the use of electronic data interchange
- Improve **“Book-to-Cash”** process for mail, similar to Cargo





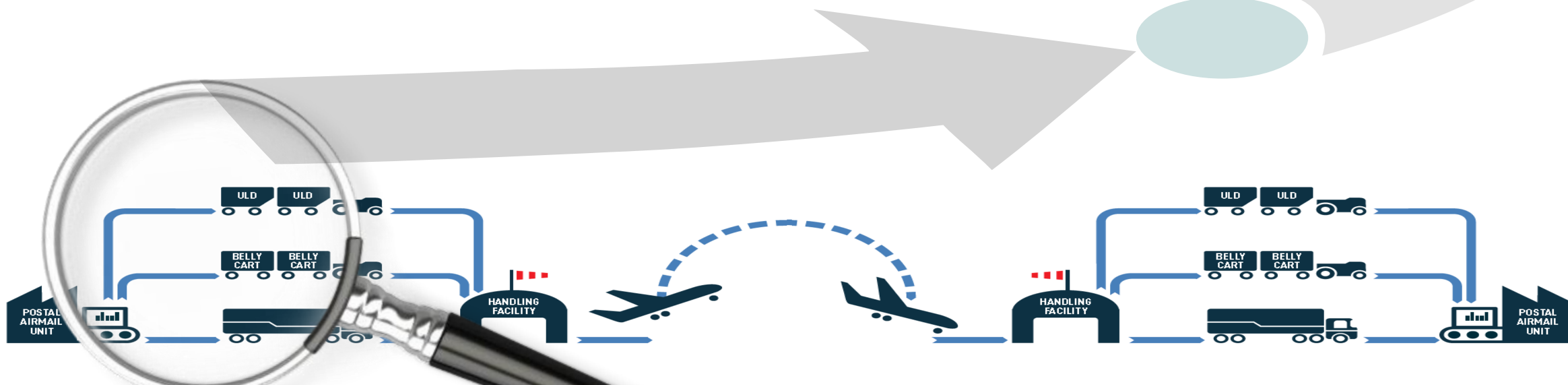
Project Deliverables

- **Compatibility of Posts' Initiatives/ Requirements and Increase their Satisfaction**
 - ☐ Mail flown-as-booked
 - ☐ Accurate shipment tracking
 - ☐ Electronic invoice and settlement
- **Increase efficiencies in Routing, Inventory Control and Visibility**
 - ☐ Improve transparency of mail movements by PAWB and greatly improve tracking of mail bags
 - ☐ Enable us to effectively discover and address performance issues (i.e. tracing)
 - ☐ Manage offload booking protection effectively
- **Improve Competitiveness in the Market**
 - ☐ Manage booking & allotment by mail class so to allow segregation of mail products for priority uplifting
 - ☐ Manage ad-hoc bookings & bookings beyond allocations
 - ☐ Improve accuracy of mail invoicing and reconciliation ability

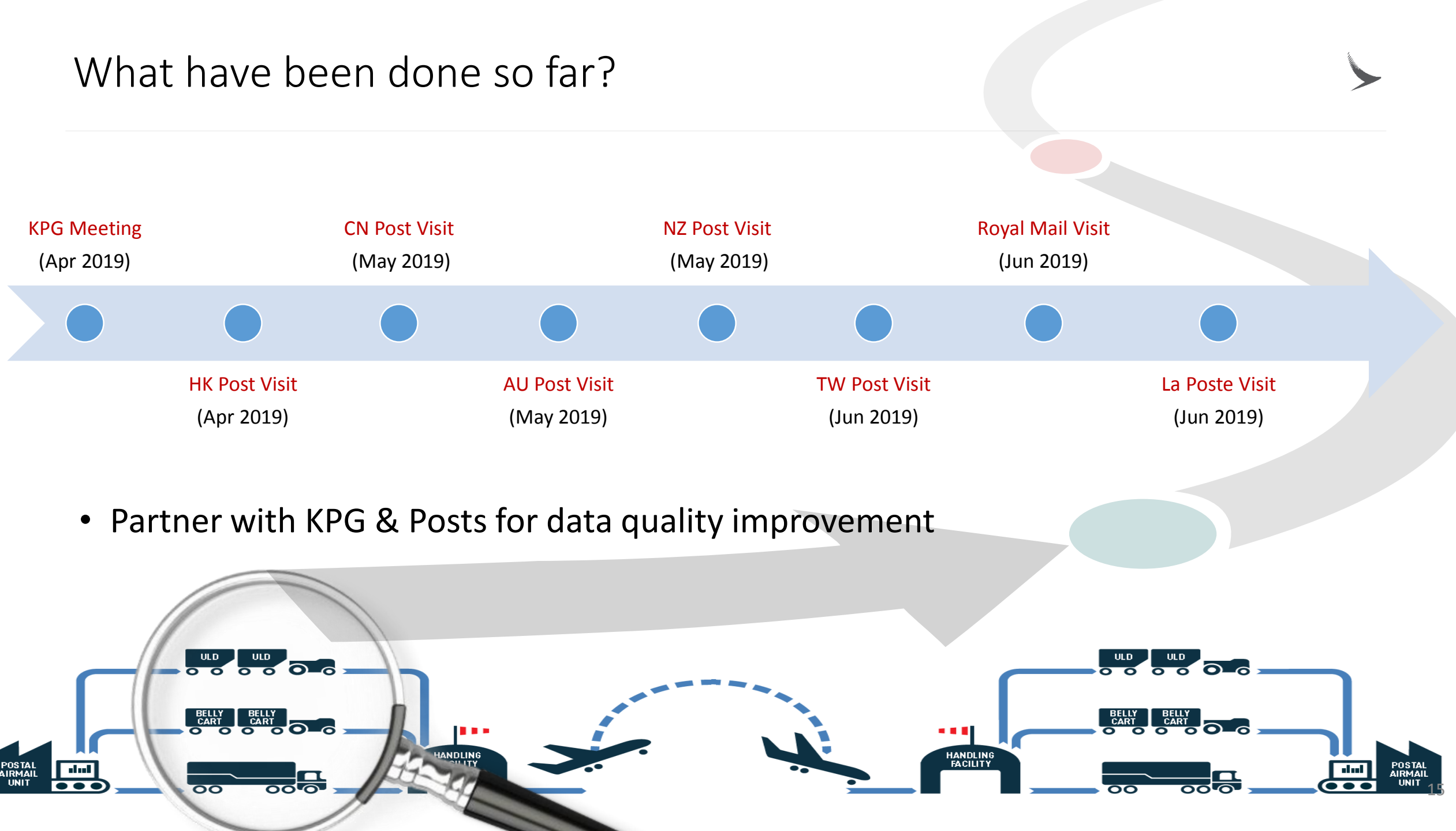
Project Challenges - Support from Posts

With **Posts' support**, we can address these challenges & increase the chances for positive outcomes:

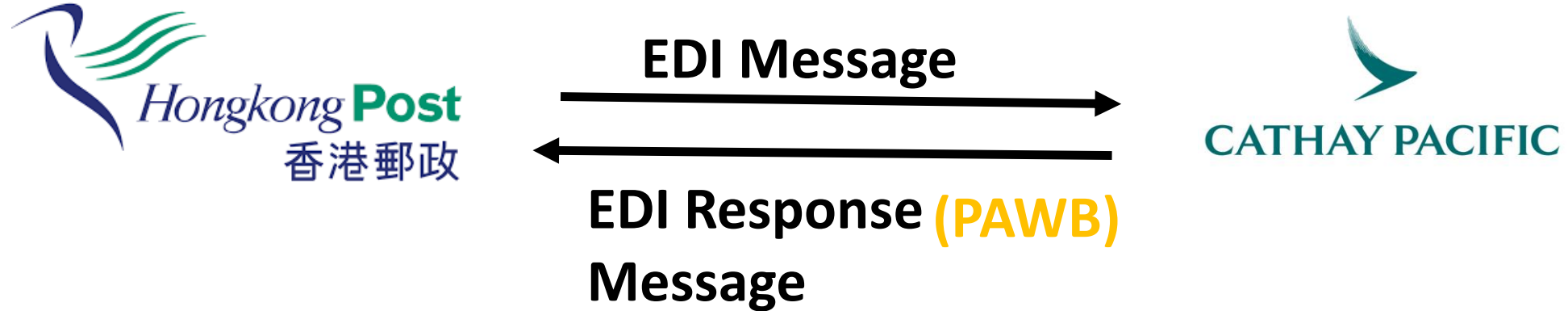
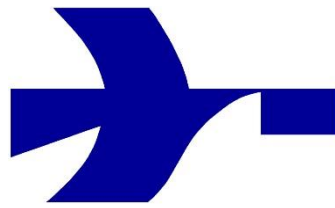
- Timeliness of CARDIT/RESKIT exchange from Posts
- Quality of CARDIT/RESKIT exchange from Posts



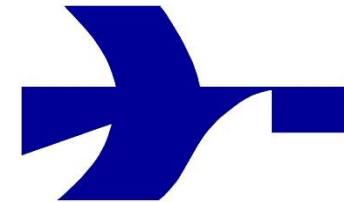
What have been done so far?



Pilot with HK Post – Tracking by PAWB



- CX will include “PAWB” in EDI Response Message (RESBIT)
- HK Post can click on hyperlink in their tracking system to open a browser of CXCargo.com to track mail shipment associated with the “PAWB”



Thank you