

Future of Mail by Air



IPC's Future of Mail by Air Looks for Synergies between the Postal Industry and the Airline Cargo Industry.

In an era of increasing competition and growing customer demands, postal organisations and airline carriers alike are looking for ways to improve service, reduce costs and develop new operational efficiencies.

The International Post Corporation's Future of Mail by Air initiative (FoMBA) is working with airlines and posts to find solutions that will benefit both industries. The initiative aims to transfer the traditional business processes between posts and passenger carriers into a professional customer-supplier relationship and over time even into a business partnership, which helps to improve visibility of mail in transport at a lower overall operating cost.

Vision

The IPC Future of Mail by Air initiative seeks to ensure a sustainable and reliable network for transporting international mail by air that provides sufficient capacity and improves the management and visibility of mail in transport

while reducing overall costs. IPC is working to optimize and align business processes, find system synergies, reduce waste and find new, paper-free solutions.

Our goals include:

- Developing paper-free transport and electronic accounting
- Simplifying tracking procedures by having carriers perform receptacle level tracking and having posts and airlines "nest" receptacle information
- Specifying and measuring handover events using electronic POA and POD
- Aligning operational procedures to make mail as easily managed as cargo for carriers
- Improving planning and optimizing processes by having posts book space based on day-by-day historical data, adjusted for special mailings and seasonal peaks



IPC is working with the airline industry to align mail and cargo processes and systems, facilitating the steps needed for posts to become a low-cost - but high-quality - customer to the airlines.

Phasing in Solutions

Optimizing and aligning operational processes require that both carriers and posts modify their systems. IPC is spearheading this effort by working with participating organisations to develop centralised solutions to minimize costs associated with adjusting processes and systems, and has established pilot programmes that include both carrier and post participants to assess these new systems and procedures.

Participants have implemented pilot tests to evaluate booking procedures for mail and tracking mail in cargo systems, and they are defining operational and messaging procedures for allocating space on carriers, electronic POA and POD, moving toward a paper-free transport tracking system, and accounting.

Participation in the IPC initiative is voluntary and open to any airline carrier and postal organisation that wishes to take part in developing the programme and participating in the pilot tests.

IPC's Future of Mail by Air initiative is action driven – our participating posts and carriers not only work to recommend

solutions, they are working together with IPC to implement those solutions.

Post and airline executives involved in the initiative agreed to a six-phase Road Map that allows them to work step by step to align air cargo and mail processes and facilitate paper-free transport of mail by air. Phases 1 through 3 have been implemented.

Phases 1 and 2 – Determine Common Vision and Identify Optimization Options

During the first two phases, participants mapped business processes and reconfirmed the objectives and scope of the Future of Mail by Air initiative.

Participants then identified options for optimizing and aligning business processes



and for creating system synergies. They then developed a new CARDIT-RESBIT message to support aligning of processes and systems and to pave the way for paper-free mail transport. The resulting CARDIT-RESBIT message became the official Universal Postal Union (UPU) standard M39.

Phase 3 – Pilot Test Amended Messages and Systems

At this stage, participants implemented the M39 standard and agreed upon shared business rules.

The IPC Mail Registration Device (MRD) was installed at airmail units to pilot efficient ways of establishing an electronic POD.

Phase 4 – Pilot Test Centralised Options

Once participants have agreed to the pre-conditions and minimum requirements and to the generic operational and messaging procedures (e.g., those used for booking, consignment monitoring and invoicing at the Postal Air Waybill number (PAWB) level and for paper-free transport and accounting) we will begin Phase 4: pilot testing centralised options, such as the CAPE Vision mail space allocation tool.

A paper-free mail task force will be established to deal with potential legal and regulatory framework issues and to ensure that procedures and systems are ready to comply with the requirements for using electronic data to replace paper.

Phase 5 – Pilot Test Paper-free Transport of Mail

During Phase 5 of the Road Map, participants will test the implementation of electronic and automated space allocation procedures and electronic invoicing procedures. We will use the evaluation results to identify where modifications are required, establish best practices, and promote expansion of the best practice cases to more routes and with more Posts and Carriers.

Phase 6 – Expand Paper-free Transport of Mail Trial Routes

Finally, once the optimized business practices are expanded and the systems are integrated and comply with legislative requirements, we can implement paper-free transport on pilot trial routes.



Help Shape the Future of Mail by Air

The IPC Future of Mail by Air initiative consists of three levels: the executive group, the task force and the action groups.

The action groups consist of representatives from the Posts, Airlines and third-party vendors who focus on a specific Road Map work item or deliverable. The task force, which represents all participants, assesses pilot trial results and develops recommendations. The executive group decides the way forward, committing to implement the road map.

Interest in the initiative is growing, with participation increasing from the core founding participants of 6 posts and 6 airlines in 2006 to 13 airlines, 12 Posts and 6 third-party vendors.

Still, to make the program work and to develop a system that is the most useful

and cost effective for Posts and Airlines, we need your help.

Participating in the Future of Mail by Air initiative will ensure that your organisation provides valuable input during the pilot tests. Your input will be used to define the future operational and messaging procedures for mail transport.

Participants commit to actively participate in at least one action group and at least one pilot trial (e.g., forecasting and booking, PAWB monitoring, electronic invoicing, etc.).

Join us to help improve visibility by expanding data capturing and event reporting for mail and reduce operational and system costs. By working with us you will ultimately help us taking to the air the business processes that benefit everyone.



To learn more about the IPC Future of Mail by Air initiative and other IPC programs, log on to the IPC Web Centre at www.ipc.be or contact Jorgen Van Mook at jorgen.vanmook@ipc.be