Large and Growing Cargo Business

From its home base in Abu Dhabi, Etihad Airways flies passengers and cargo to destinations in the Middle East, Africa, Europe, Asia, Australia and North America. As a result of fast growth and demand for international shipments, the company’s cargo and logistics arm, Etihad Cargo, also augments its dedicated cargo aircraft by adding belly cargo to its passenger planes. With flight routes crisscrossing the globe, the safety and security of Etihad’s passengers, crew and equipment are top priorities.

Etihad Cargo carries a range of commercial and personal cargo, including animals, luxury goods, precious cargo, and automobiles. The company sets high standards to ensure the goods it moves are compliant with government regulations. Etihad Cargo adheres to all International Air Transport Association (IATA) regulations pertaining to cargo and restricts some cargo based on the company’s social responsibility policies, especially regarding live and protected animal species. The carrier also has Pharma and Fresh certifications from IATA’s Center of Excellence for Independent Validators (CEIV).

Brand and Regulatory Risk Concerns

With its growing network and global security concerns, Etihad Cargo heightened its cargo rules and policies to strengthen its compliance with global regulations. However, the company realized its risk of compliance violations was heightened because of its manual and ad hoc screening processes. Companies like Etihad Cargo must ensure that no parties in a shipment transaction are on a sanctioned or restricted list and that cargo doesn’t violate any laws — such as those governing dual-use or regulated goods — for the countries of export and import. “Aside from being labor-intensive, navigating the constantly changing regulations and export and import requirements often requires coordination across multiple parties and compliance checks,” said Andre Blech, Director of Operations and Delivery at Etihad Cargo.

Etihad Cargo’s goal was to reduce risk exposure and streamline regulatory compliance by automating cargo screening through a single platform to reduce manual efforts. Most importantly, the company needed a solution and partner that could grow with them, adapt to changes in business processes, perform systems upgrades and quickly integrate new compliance regulations as they emerge.

Why e2open®?

Etihad Cargo considered e2open’s comprehensive capabilities essential for its due diligence program — software, content, services, the network and cloud access are all delivered together. E2open provides automated cargo screening capabilities for carriers by using advanced computational linguistics algorithms to screen shipping documents such as manifests and air waybills using natural language processing and other analytic techniques. This automated process helps carriers determine if a transaction bears undue risk.
The use of artificial intelligence (AI) and business rules increases the accuracy of the matching process. This means a low false-positive rate and fewer results that must be checked manually by personnel. Business rules can also be configured to regulate the number and type of lists used for screening.

A significant differentiator for Etihad Cargo’s selection team was e2open’s trade content database, contained in its Global Knowledge® application. E2open’s trade content, updated daily by in-house trade specialists, is one of the most robust and comprehensive in the industry and is absolutely vital to managing and automating cargo screening to effectively ensure compliance. It screens air waybills and manifests against more than 680 restricted party lists and includes the option to add the Sanctions Ownership Research (SOR) list from Dow Jones®.

The names of all restricted parties are compiled and updated using a 19-step, ISO® 9001:2015 certified process and maintained within the global trade content database, attesting to the quality of the content in its entirety. Updates to international trade regulatory lists are processed daily to ensure that restricted parties are correctly flagged before goods are shipped. With these capabilities and daily information access, companies utilize the most current restricted party screening lists, which improves accuracy and reduces false positives.

A Scalable Screening Process

Etihad Cargo decided to partner with e2open to streamline its cargo screening process, enabling the carrier to stay abreast of ever-evolving trade regulations and automate the screening of shipments. This was necessary to provide best in class compliance safeguards for Etihad Cargo’s customers while reducing shipment processing costs.

E2open Application

Etihad Cargo implemented e2open’s Export Management application. Paired with the robust trade content contained in e2open’s Global Knowledge application, the company would be able to streamline and automate its cargo screening to enhance compliance and minimize risks.

Automation of Due Diligence Checks

E2open’s cargo screening capabilities include a configurable risk assessment matrix that logistics providers can implement for added security if needed. The matrix provides comprehensive transaction screening, delivering a transaction risk score and visibility into the three primary screening areas: dual-use or restricted goods, destination controls and restricted parties. Additional screening capabilities help companies gauge transaction risks related to the cargo destination’s proximity to various conflict zones.

The automated system will simultaneously improve efficiency by streamlining workflows, minimize the risk of fines and penalties and reduce the time and potential delays associated with screening cargo. As a result of these changes, Etihad Cargo expects shipments to consistently arrive on time, thereby increasing customer satisfaction. “Our partnership with e2open, which shares our vision for a truly digital logistics supply chain, increases Etihad Cargo’s service quality to customers, who benefit from the increased efficiency of real-time verification,” said Blech.

Reduced Risk and Faster Processes

In addition to comprehensive compliance checks based on global regulations, Etihad Cargo is now better able to adhere to strict protocols that prohibit the carriage of endangered and threatened species, hunting trophies containing any animal parts, shark fins and live animals intended for use in scientific research. Other results include:

- Reduced labor-intensive cargo screening through automation
- Standardized denied or restricted party compliance checks across the organization
- Reduced brand and reputational risk exposure posed by banned and sanctioned goods
- Avoided fines through compliance with country-specific regulations
- Enhanced customer service through expedited screening processes
As a result, Etihad Cargo achieved a trifecta of positive business outcomes. They improved service while reducing costs and risks to the company. The automated screening processes they put in place not only improve their existing operations but also remove a key barrier to the company’s growth.

The automated screening simultaneously improves efficiency, streamlines workflows, minimizes the risk of fines and penalties and reduces the manual time associated with screening cargo. Consequently, cargo shipments consistently arrive on time, thereby increasing customer satisfaction.

About e2open

At e2open, we’re creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything. Visit www.e2open.com.

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