

ADDING A NEW DIMENSION TO AIR CARGO OPERATIONS

THE WNS SOLUTION FOR END-TO-END AIRLINE CARGO MANAGEMENT



WNS

Extending Your Enterprise



DETERMINANTS OF PROFITABILITY IN AIR CARGO OPERATIONS

The air cargo sector is at the cusp of a quiet turnaround with demand picking up across markets in Asia-Pacific, Europe, North America and the Middle East. The International Air Transport Association (IATA) estimates growth to accelerate over the next few years even as global trade on the whole remains subdued. Also, we are witnessing matured e-Commerce shipments across the above markets with tight delivery and service-level expectations. These are welcome news for the airline industry that had, until recently, seen below-par performance or, at best, just tentative signs of recovery.

However, to consolidate these gains and improve performance and profitability, airlines need to overcome challenges around cost, service and space optimization.

Volume fluctuation, which is intrinsic to the air cargo sector due to its cyclical pattern of business, has now intensified. This instability can be attributed to an uncertain global business environment and disruptions due to natural disasters, disease outbreaks and geo-political developments. Even as the variability factor increases, airlines must keep operating costs in check, and aim for higher levels of efficiency, customer service and profitability. Profitability will depend on how airlines improve the utilization of belly space and the air cargo load factor. Airlines also need to look at additional sources of growth and revenues for the same asset base (belly capacity), including express or priority shipment offering and next-day delivery (including door-to-door). Some of the more innovative airlines have started, or already taken steps to broaden their revenue base from traditional cargo operations.

THE AIR CARGO SECTOR – SOME KEY TRENDS



The emerging markets and regions are expected to deliver the fastest growth in air cargo volumes over the next five years, led by the Middle East and Africa



At the top-tier air cargo market, integrators are taking an increasing share of the business



Accelerating urbanization will drive trade and air freight



Aircraft utilization rates have started to show solid improvement, however, will continue to be challenged by ever-increasing capacity

WNS AIR CARGO MANAGEMENT AND SERVICING CAPABILITIES

SECURING A FIRM HOLD ON AIR CARGO REVENUE WITH END-TO-END WNS SOLUTIONS

The WNS-SmartKargo (a WNS partner) Cargo Management suite - powered by a 100 percent Cloud-based, integrated cargo management platform - is a comprehensive set of solutions aimed at accelerating revenue growth for airlines' cargo business. This IATA-compliant, state-of-the-art platform provides players, across the cargo value chain, a variety of capabilities that meet their unique requirements. It harnesses the benefits of the recent advancements in cloud computing, mobility and machine

learning to offer airlines and others an easy-to-use, customizable solution. The platform also offers instant business intelligence, sophisticated data analytics, and comes with a full-featured mobile app for smartphones. The WNS-SmartKargo Cargo Management suite effectively tackles the three major constraints: rising costs, poor service and inefficient space utilization, providing a seamless and top-notch experience to clients.



WNS, in partnership with SmartKargo, offers end-to-end cargo services under several broad categories: **Cargo Revenue Management, Cargo and Mail Revenue Accounting, Cargo Finance and Accounting, Mobility and Business Intelligence.**

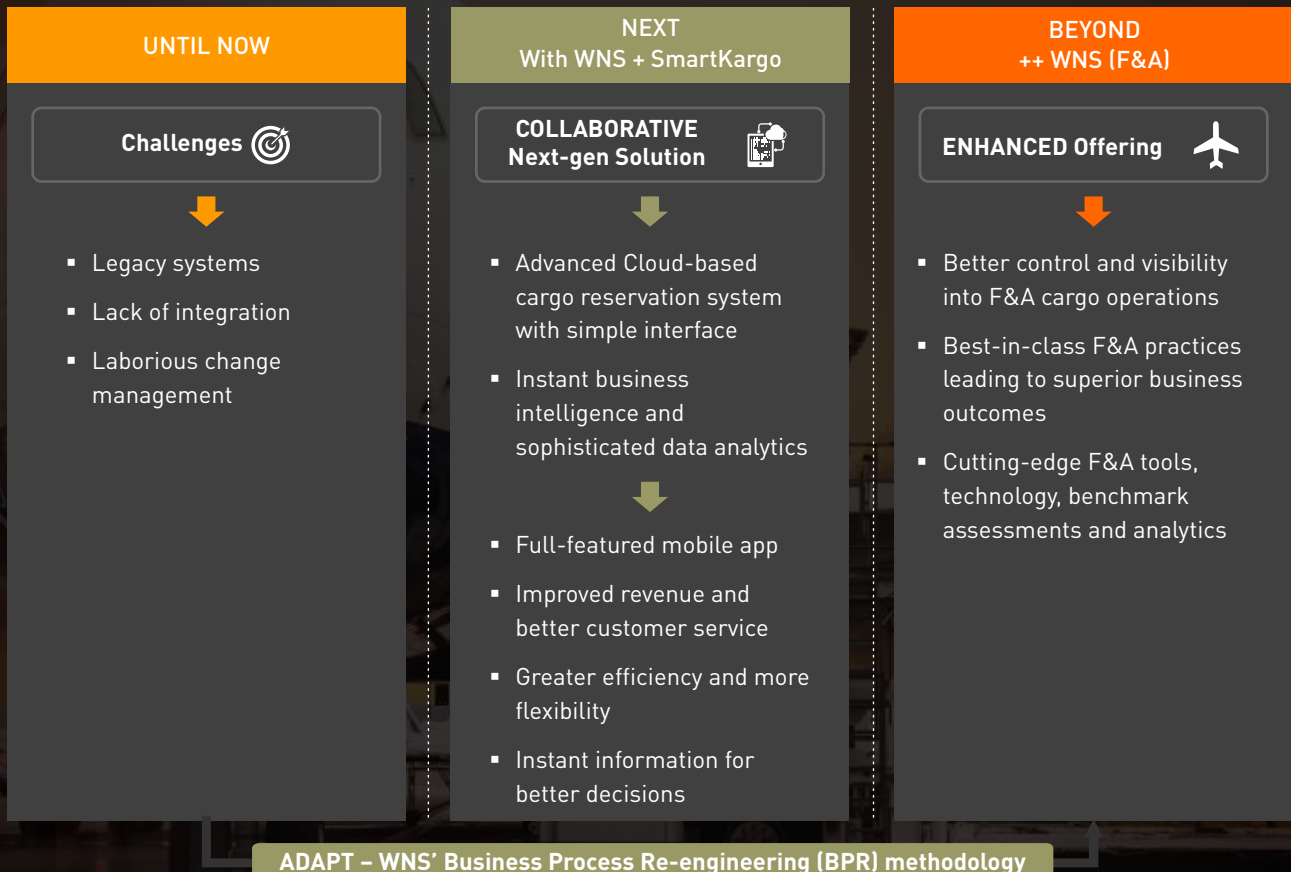
- Tech-enabled, real-time analytics-driven **Cargo Revenue Management** system provides airlines better visibility into demand and space availability, thereby facilitating optimal utilization of aircraft space and time, that results in increased revenues and operational efficiencies
- **Cargo and Mail Revenue Accounting** solution offers airlines all the tools needed to improve recovery, maximize

cash flow and gain access to real-time data

- **Cargo Finance and Accounting** solutions build higher efficiency into the receivables and payables processes
- **Mobile Application** via smartphones or tablets provide improved customer efficiency and loyalty

To plan, identify and execute transformation solutions for clients, **WNS** leverages the proprietary **Business Process Re-engineering (BPR) methodology – ADAPT** – which follows a five-phase methodology, combining the art and science of process management, technology transformation and risk.

YOUR JOURNEY - TRANSFORMING CARGO OPERATIONS WITH WNS



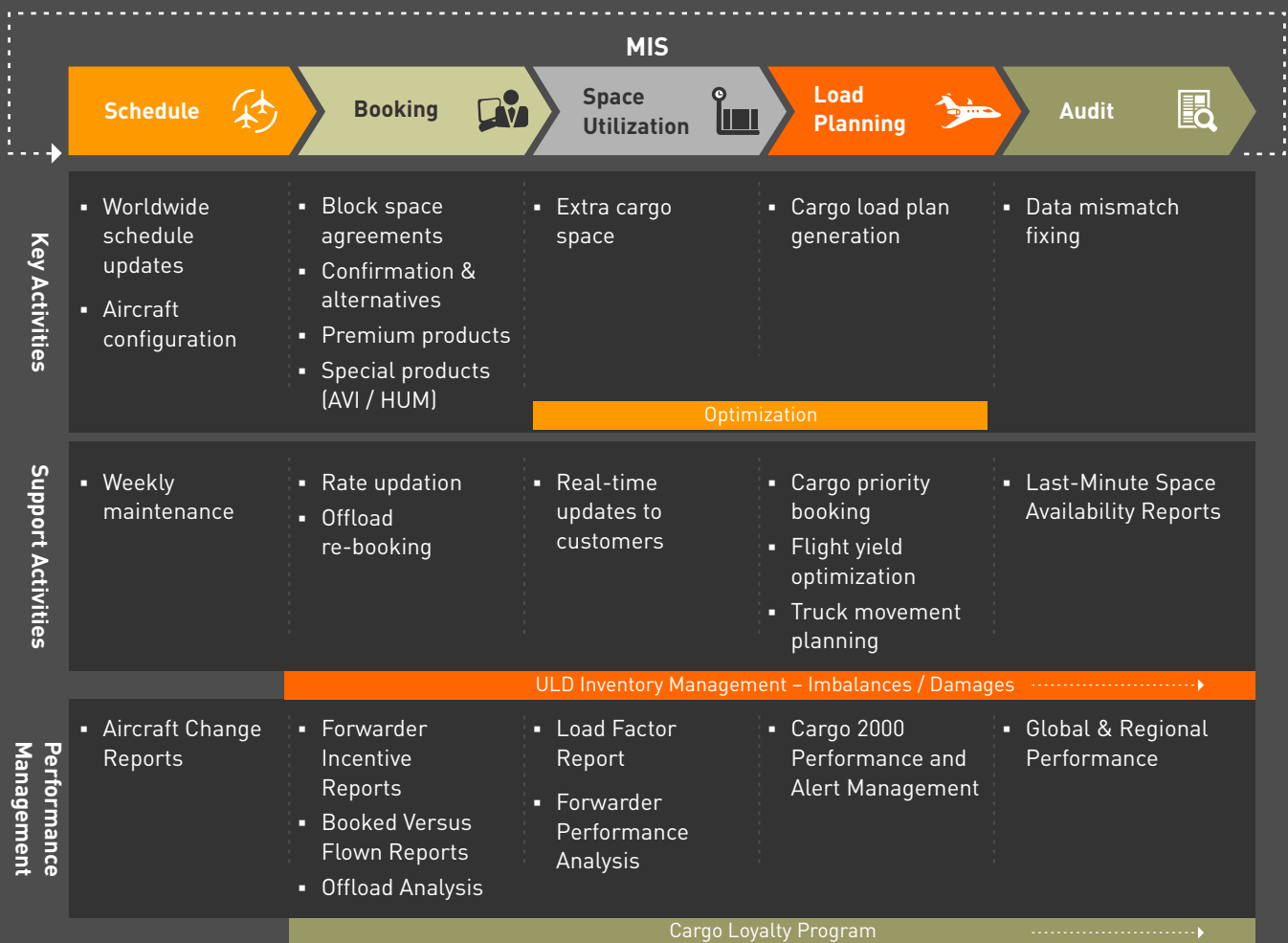
CARGO REVENUE MANAGEMENT – ENSURING PROFITABILITY THROUGH SPACE OPTIMIZATION

The volume of cargo space available in an aircraft changes by the hour, continuing right up to the time of departure. How well an airline optimizes belly-space, directly determines revenue growth and profitability. The WNS-SmartKargo Revenue Management capability provides airlines an integrated product and service capability to

continuously assess the situation and make quick decisions with timely, accurate information.

Business Intelligence derived from instant access to shipment information provides real-time decision support, which results in increased revenues and operational efficiencies

CARGO REVENUE MANAGEMENT SERVICES OVERVIEW



The WNS-SmartKargo Cargo Management Suite facilitates the optimum utilization of aircraft space and time with the below services:

- Scheduling – Enables accurate and timely upload and maintenance of flight schedules six months prior to departure
- Offloads / Re-booking – Conducts re-booking of offloaded consignments on the next available flight and provides real-time update of consignment status
- Flight optimization – Facilitates decision-making regarding acceptance / rejection of booked consignments with the help of a comprehensive flight load plan
- Rate updates– Manages business processes related to the automatic updation of rates, including updating the client's pricing database and automating the publishing of rates

across Web channels

- Pre-flight audit services – Enables speedy and accurate billing on arrival with the use of a reporting tool that eliminates billing inefficiencies
- Tracking and inventory management – Optimizes utilization and reduces imbalances with smart inventory management, and tracking of ULD stocks

Value added services from WNS:

- Performance management reporting – Analyzes and ascertains areas of improvement to help clients evaluate the performance of freight forwarders in specific regions
- Application development – Leverages a range of technologies to develop sophisticated applications that facilitate innovation in business processes

CARGO AND MAIL REVENUE ACCOUNTING – **IMPROVING CASH FLOW THROUGH REVENUE RECOVERY**

The end-to-end cargo and mail revenue accounting solution from WNS can be a potent revenue protection tool for any airline company. It facilitates revenue generation through data management of reservation and financial systems,

billing and accounting, resolution of disputed invoices, and claim settlement between airlines. With access to real-time and accurate sales and revenue information, the solution allows airlines to maximize cash flow and reduce costs.

CARGO AND MAIL REVENUE ACCOUNTING SERVICES

CARGO ACCOUNTING

Net data capture



- Rate sheet maintenance
- Audit of surcharges
- Air WayBills (AWB)
- Accounting control list clearance
- Generation of station performance reports

Invoicing



- Flown processing exceptions
- Generation of provisional invoices
- Error resolution
- Generation of final invoices
- Data uploading
- Post-invoicing queries
- Interline

Billing support



- Investigation and resolution of discrepancies
- Monitoring of outstanding items and provision of support to stations to ensure timely billing
- Maintenance of reference data, including SPA filing, Agent information, flight set-up, etc in revenue accounting system

Mail Revenue Accounting

Monthly Cycle



Conformance

- Reconciliation of uplifted mails vs. accounted mails



Data input

- Manually updating the revenue accounting database



Invoicing

- Billing / accounting for uplifted mail



Rebilling

- Resolution of disputed invoices



Inter-airline claims

- Settlement of claims between airlines through air company invoices

End-to-end revenue accounting solutions

The following are the various services WNS offers in this segment:

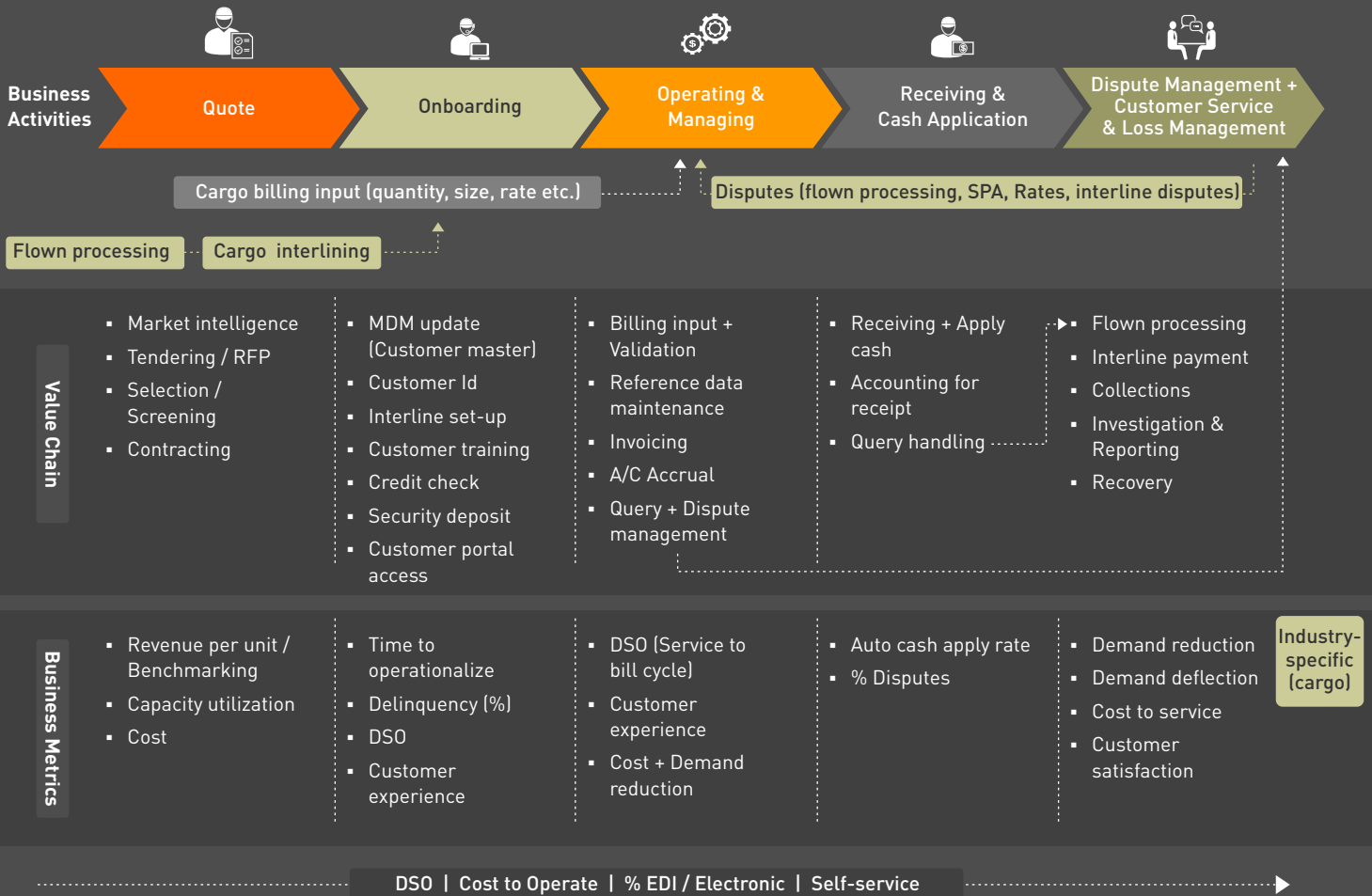
- Net data capture – Enables the host airline to identify revenue by capturing the net rate of all the cargo it has carried and also helps ensure surcharges are accurately levied on agents
- Cargo billing and processing – Clears flown processing exceptions and ensures billing accuracy; prepares provisional and final invoices that are sent to the stations or uploaded to Cargo Account Settlement System (CASS)
- Cargo interline – Examines client's transactions with other airlines such

as over-billing and re-charges, and generates bills to other airlines

- Billing Support – Monitors client system to ensure that all billing is carried out in a timely manner, highlights areas where revenue is not being invoiced and also manages reference data in the revenue accounting system
- Mail revenue accounting – Manages end-to-end mail revenue accounting such as dispatching information to post offices, chasing non-conforming stations and mail investigation, re-charging rejected invoices and processing mail interline invoices from other airlines

CARGO FINANCE AND ACCOUNTING (F&A) SOLUTIONS – BUILDING EFFICIENCY IN ACCOUNTING PROCESSES

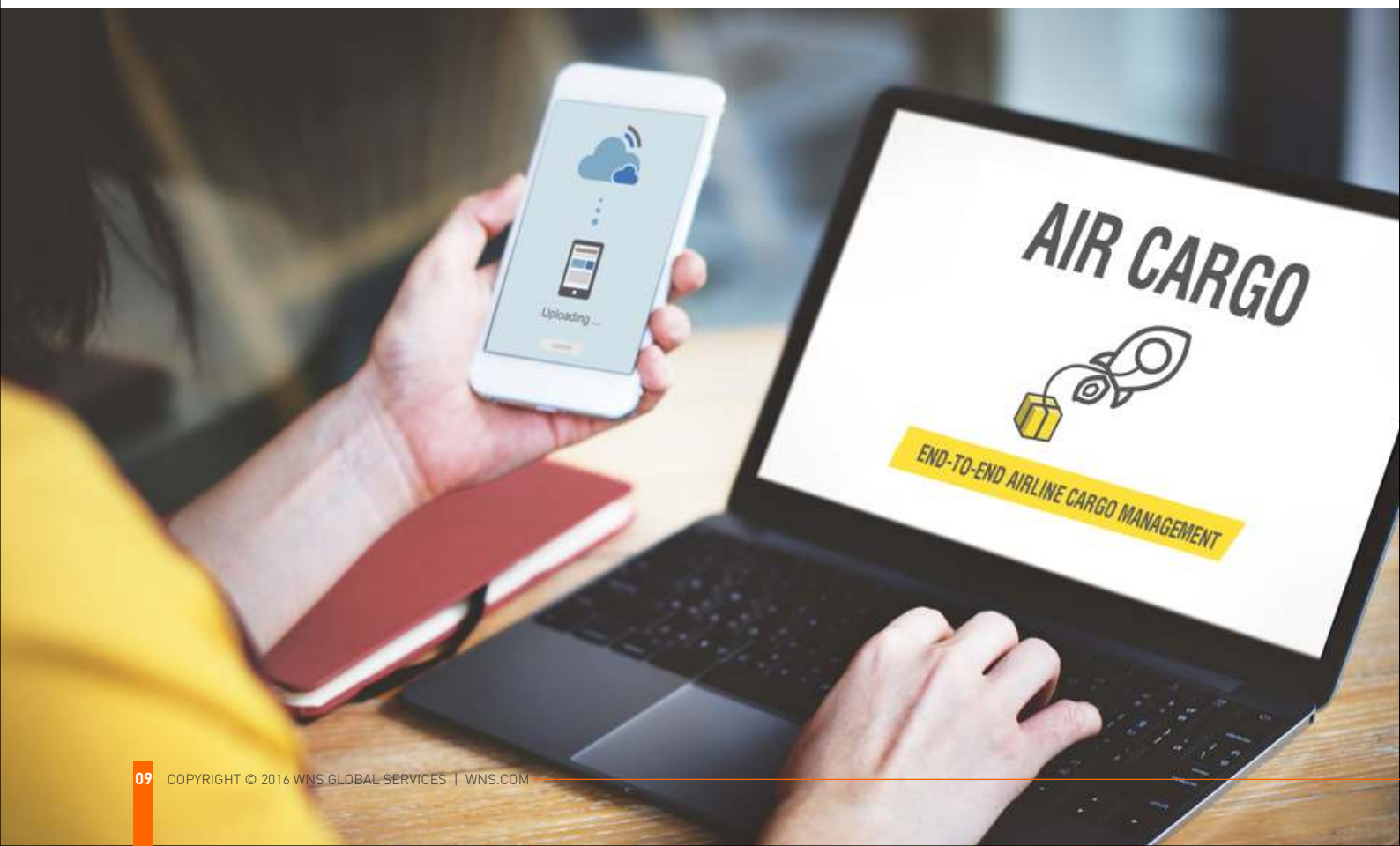
CARGO F&A VALUE CHAIN



MOBILE APPLICATION – PROVIDING END-TO-END AIR CARGO MANAGEMENT FROM SMARTPHONES OR TABLETS

Following are the benefits for the Air Cargo business from the mobility solution:

- Increased productivity for customers, yielding an enhanced customer experience and thus, loyalty to the airline
- In a relatively commoditized industry, technology facilitation is a significant differentiator, enabling the leadership team to demonstrate digital transformation in their organizations
- The SmartKargo solution greatly assists in this process by providing quick-to-market implementations
- relative to other options and can provide integration with existing systems to provide quick wins for the business and the customer
- Customer self-service yields increased efficiency, reduced costs, operational integrity and data-driven insights that can influence efficiency in the operational environment
- A 'future-ready' platform facilitates revenue generation with new lines of business, such as door-to-door delivery, same-day delivery for urgent or specialty products and eventually consumer e-Commerce via the technology layer inherent in the SmartKargo solution





WNS – LEADING THE WAY IN AIRLINE CARGO

- Close to two decades of experience in managing end-to-end travel operations, with 18 years in Cargo Revenue Accounting alone
- More than 30 travel clients, including global airlines, travel agencies, Global Distribution System (GDS) providers, car rental companies and hotels (three clients in CRA)
- World-class solutions for the air cargo industry
- More than 300 cargo specialists managing 3 Million client transactions (i.e. cargo operations on 150,000+ flights a year)
- More than three million cargo process transactions per year
- Award-winning domain university for creation and retention of critical process knowledge through eLearning and facilitator aided trainings
- In-depth knowledge of IATA regulations
- Process maturity framework to guide process improvement initiatives to improve the maturity level of the processes compared to the air cargo industry leaders
- The only service provider with experience of working on operations and revenue management activities in the air cargo sector



SUCCESS STORIES – TESTIMONY TO WNS EXCELLENCE



Case study # 1

Robust plan to improve operational efficiency of cargo warehousing process

A top European airline sought to define and improve the capacity levels and processes of its warehouses. WNS deployed its Value Innovation Program to identify capacity planning and process design as major areas for improvement. WNS proposed a range of solutions that helped the client to:

- Maximize revenue and reduce customer dissatisfaction by ensuring demand inflow and product mix balance
- Enable accurate decision-making through real-time MIS and stop revenue leakages due to failure of freight recovery from airside



Case study # 2

Streamlining Cargo Revenue Accounting, Improving Profitability

The revenue accounting processes of a leading European airline were suffering due to inefficiencies in its non-standardized, legacy system. WNS took over the end-to-end revenue accounting processes of the client and delivered significant benefits, including:

- An incidental recovery of GBP 0.5 Million annually
- Manual processing of ~25,000 AWBs per month with an accuracy of ~98.65 percent
- Monthly revenue of ~GBP 55 Million
- Billing accuracy of an average 99.67 percent
- Reduced turnaround time in interline billing from four months to one month
- 80 percent reduction in mail rejection volumes
- An anticipated benefit of USD 370,000 (per annum) through CNS disputes resolution



WNS (Holdings) Limited (NYSE: WNS) is a leading global Business Process Management (BPM) company. WNS offers business value to 200+ global clients by combining operational excellence with deep domain expertise in key industry verticals, including banking and financial services, consulting and professional services, healthcare, insurance, manufacturing, media and entertainment, retail and consumer packaged goods, telecommunications and diversified businesses, shipping and logistics, travel and leisure, and utilities and energy. WNS delivers an entire spectrum of business process management services such as customer care, finance and accounting, human resource solutions, research and analytics, technology solutions, and industry-specific back-office and front-office processes. WNS has delivery centers world-wide, including China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, UK and US.



To learn more, write to us at marketing@wns.com or visit us at www.wns.com

WNS
Extending Your Enterprise