IATA Digitalization Leadership Charter (DLC)
DLC Forum – May 2024 – Report

1. Executive Summary

The IATA Digitalization Leadership Charter Forum brought together executives from member airlines and IT providers. The primary aim was to discuss the digitalization journey of the air cargo industry, driving the industry's digital transformation forward.

Key outcomes included a unified commitment to the principles outlined in the charter, which focuses on developing a collaborative digital strategy, enhancing organizational resilience, pursuing sustainable digitalization, achieving digital excellence, and using new technology ethically.

Participants provided valuable insights into the drivers and motivations for supporting the charter, emphasizing the necessity of moving from legacy systems to a data-sharing approach using web APIs. They also highlighted the significant impact digital transformation has already had on their organizations, driving operational efficiencies, and meeting higher service expectations.

Proposed initiatives were discussed to ensure industry-wide adoption and successful implementation of the charter. The outcome of the discussion helped IATA to propose a high-level checklist to guide companies in understanding their commitments when signing the charter. The workshop concluded with a call to action for all stakeholders to collaborate and drive the digital transformation of the air cargo industry.

NB: the language used in this report around "Sustainability" is not definitive and may be changed following feedback from the Cargo Advisory Council.

2. Introduction

i. Background on the Digitalization Leadership Charter

The Digitalization Leadership Charter is a strategic initiative developed by IATA and the Cargo Advisory Council members. The charter aims to accelerate the digital transformation of the air cargo industry by committing to five key guiding principles. These principles focus on fostering innovation, enhancing efficiency, and promoting a sustainable and harmonized digital transformation. Underlining the charter is the adoption of ONE Record, a standard for data sharing that ensures smooth and efficient exchange of information across the supply chain.

ii. Impact of Digital Transformation on the Air Cargo Industry

Digital transformation is reshaping the air cargo industry, driving significant improvements in operational efficiency, customer service, and overall competitiveness.

Transitioning from legacy messaging systems to modern data-sharing approaches, such as web APIs, enables seamless operations and enhances the quality of the supply chain. Digitalization addresses the growing demand for faster, more reliable services, particularly in the context of e-commerce, which has set higher service expectations. It also facilitates better data-driven decision-making and operational resilience, ensuring businesses can adapt to changing market conditions and disruptions.

The industry's commitment to digital transformation boosts efficiency and supports industry objectives and the UN Sustainable Development Goals (SDGs)

by ensuring that digital advancements are pursued with sustainability in mind. This involves establishing more energy-efficient infrastructure and processes, reducing emissions, minimizing e-waste generation, and enhancing resource management, among other actions.

iii. Objectives of the forum

The forum aimed to bring together key stakeholders from the air cargo industry, including airlines and IT providers, to discuss and commit to the Digitalization Leadership Charter. The primary objectives were:

- To achieve a unified commitment to the charter's principles and the adoption of IATA ONE Record as the industry standard for data sharing.

- To identify and discuss the primary drivers and motivations for digitalization within the industry.

- To explore the impact of digital transformation on various organizations and share best practices.

- To develop actionable initiatives that will guide companies in understanding their commitments when signing the charter.

- To establish mechanisms for monitoring compliance and maintaining engagement with the charter.

The forum provided a platform for interactive discussions, allowing participants to share their insights and experiences, and to collaborate on strategies for driving the industry's digital transformation forward.

3. Charter Details

i. Overview of the five guiding principles

The Digitalization Leadership Charter outlines five guiding principles aimed at driving the digital transformation of the air cargo industry.

Developing a Unified and Collaborative Digital Strategy

- This principle emphasizes the need for a cohesive digital strategy that champions interoperability and the use of global standards across the entire supply chain. By adopting global standards like IATA ONE Record, the industry can ensure seamless data exchange and enhanced collaboration among all stakeholders.

Enhancing Organizational Resilience

- Building robust digital infrastructure and implementing strategies to safeguard against cybersecurity risks are critical. This principle also underscores the responsible use of emerging technologies, such as generative AI, to strengthen organizational resilience and adaptability.

Pursuing Sustainable Digitalization

- The charter focuses on supporting the development of technological approaches to achieve environmental targets, increase efficiency, and reduce e- waste. It encourages the adoption of digital solutions that contribute to the achievement of net zero CO2 emissions by 2050, and prioritize environmental sustainability during their lifecycle.

Pursuing Digital Excellence

- Staying ahead of digital trends and establishing industry best practices are essential for achieving digital excellence. This principle involves continuous improvement and innovation, ensuring secure digital practices that benefit the entire industry.

Using New Technology Ethically

- Embracing emerging technologies ethically is crucial. This principle highlights the importance of transparency, ethical considerations, and adherence to legal and regulatory frameworks when implementing new digital solutions.

ii. Importance of the charter in the air cargo industry

The air cargo industry faces significant challenges, including the need for modernization, increased efficiency, and meeting heightened customer expectations.

The Digitalization Leadership Charter addresses these challenges by promoting a unified approach to digital transformation. The charter sets a benchmark for excellence and provides a clear framework for all stakeholders to follow.

Key aspects of its importance include.

Achieving Our Priorities

- The charter aligns with the industry's priorities of digitalization, sustainability, and safety & security. By adopting the principles outlined in the charter, the industry can achieve these priorities more effectively.

Intersection of sectors

- The air cargo industry's digital transformation intersects with various other sectors, necessitating collaboration and alignment with broader technological advancements.

Emerging Technologies

- The Charter encourages the adoption of new technologies, such as generative AI, to drive innovation and improve operational efficiencies.

iii. Drivers and Motivation for Supporting the Charter

The workshop identified key drivers for digital transformation in the air cargo industry, such as technological advancements, customer demands, and legacy system limitations. Participants also discussed motivations for supporting the Digitalization Leadership Charter, emphasizing the importance of collaboration and commitment to industry-wide digitalization. This section summarizes these discussions, highlighting why embracing digitalization is crucial for the future of air cargo.

Need for Digitalization

- The industry recognizes that digitalization is essential for staying competitive. Moving from outdated legacy systems to modern, data-sharing approaches like IATA ONE Record is crucial. This shift enables more efficient operations, better data management and quality, and enhanced service quality.

Joint Commitment

- The charter represents a collective commitment from all stakeholders, including airlines, freight forwarders, ground handling agents, and industry associations like FIATA. This unified effort is key to driving faster and more effective digital transformation. As noted in the workshop, "Going together we go further" and having joint principles will accelerate progress.

Service Improvement and Customer Expectations

- Digitalization helps meet higher service expectations, particularly driven by the rise of e-commerce. Customers now expect faster, more reliable services, which digital transformation can provide. The move towards digitalization is driven by the need to improve shipment flow, shipment traceability and transparency, service quality, and customer satisfaction.

Operational Efficiencies

- Many organizations have already seen the benefits of digital transformation in terms of operational efficiencies. Transitioning from traditional communication methods to digital platforms has improved availability and responsiveness. For example, moving from phone-based to platform-based communication enables 24/7 operations, compared to the traditional 9-to-5 model.

Industry Promotion

- By promoting digitalization, the entire air cargo industry can benefit. Digitalization helps in creating a more efficient and reliable supply chain, which is beneficial for

all stakeholders. As discussed, the industry needs digitalization to remain relevant and competitive. Missing this train is not an option.

Innovation and Value Addition

- Digital transformation drives innovation, enabling new services and additional value for customers. It also encourages the development of scalable solutions that can grow with the industry. The role of forwarders and the additional value they bring were highlighted as key drivers.

4. Workshop Summary

The workshop focused on aligning the air cargo industry's digital transformation efforts with the principles outlined in the Digitalization Leadership Charter. Discussions centered on developing a unified digital strategy, enhancing organizational resilience, promoting sustainable practices, achieving digital excellence, and ensuring ethical use of new technologies. This summary captures the key points and insights from these discussions, providing a roadmap for implementing the Charter across the industry.

Developing a Unified and Collaborative Digital Strategy

- Digital Supply Chain Standards: The development of digital supply chain standards from shipper to consignee was identified as a critical step. This involves lobbying for high-impact initiatives that require minimal effort but yield significant results.

- Scalability and Innovation: Standards and innovations should be measurable and scalable. Selecting the right use cases is essential to ensure that digital initiatives can grow with the industry and drive overall growth.

- KPIs and Quick Wins: Establishing key performance indicators (KPIs) and identifying industry non-competitive use cases for quick wins, such as track and trace, are crucial for demonstrating early success and gaining momentum.

Enhancing Organizational Resilience

- IT Resilience and Infrastructure: Ensuring robust IT infrastructure is paramount. This includes implementing policies to ensure proper application use, conducting periodic reviews of the infrastructure and systems, and establishing governance and roadmaps.

- Organizational Resilience: Digitalization helps build organizational resilience, as evidenced during the pandemic when digital systems enabled continued access and operations. Developing digital identities and robust authentication mechanisms are part of this resilience.

- Security and Legal Considerations: Infrastructure must meet availability performance and bandwidth requirements, ensure authentication and security, manage data rights, and include resilience audits. Legal data contracts are also vital.

Pursuing Sustainable Digitalization

- Efficiency and Resource Management: Addressing inefficiencies that result in wasted effort and resources is crucial. Digitalization can streamline operations and minimize negative impact to the environment.

- Carbon Footprint Reduction: Achieving a digital integration of stakeholders and reducing the need for redundant IT infrastructures, contribute to significantly reduce the carbon footprint of IT operations.

- Time as an Environmental Cost: Recognizing time as an environmental cost emphasizes the importance of efficient, and digital operations.

Pursuing Digital Excellence

- Technology Radar and Innovation: Staying ahead of digital trends requires inviting technology experts, promoting a technology radar, show casing state of the art technology implementation and

involving industry-wide hackathons to foster innovation.

- Focus on AI and Emerging Technologies: Exploring the real impact of technologies like AI and blockchain in transport can drive significant advancements.

- Cargo Innovation Hubs and Collaboration: Establishing an IATA Cargo Innovation Hub, hosting show-and-tell sessions, and distributing regular news updates can promote continuous improvement and knowledge sharing.

Using New Technology Ethically

- Clear Use of Data: Transparency in the use of new technologies and data is crucial. Organizations must consider the human factor and ensure technologies are used.

- Usability and Accessibility: New technologies should be usable by everyone. Ethical considerations include data sharing with authorities and ensuring accessibility for all stakeholders.

- Compliance with Laws and Regulations: Adhering to legal and regulatory frameworks is non-negotiable. The law serves as the ultimate benchmark for ethical digitalization, and awareness of digital ethics should be raised within the industry.

5. Recommended Industry Initiatives

Based on the discussions and feedback from the workshop, the following initiatives are proposed to drive the implementation of the Digitalization Leadership Charter across the air cargo industry. These initiatives leverage existing standards and frameworks while fostering collaboration and innovation to enhance the industry's digital transformation.

i. Promotion and Implementation of the IATA ONE Record Standard

Objective

Accelerate the adoption of the ONE Record standard as the default data-sharing standard for the air cargo industry by January 1, 2026.

Actions

Promotion: Increase awareness and understanding of ONE Record through global and local/community-led industry events and workshops.

Support: Share support and best practices through the IATA Digital Cargo Working Group to assist with the transition to ONE Record.

Training: Define training strategy, leveraging on IATA e-learning and on-site training modules for ONE Record, ensuring that all stakeholders are equipped to implement the standard.

Expected Outcomes

- Industry-wide adoption of ONE Record by the set deadline

- Improved data sharing and interoperability across the supply chain

ii. Collaborative Development of IT Resilience and Security Framework

Objective

Develop a comprehensive IT resilience and security framework to be adopted across the industry, ensuring robust and secure digital infrastructure.

Actions

Framework Development: Establish a task force to create an industry-wide IT resilience and security framework, including best practices and standards.

Collaboration: Foster collaboration among airlines, IT providers, and other stakeholders to share insights and strategies for enhancing IT security and resilience.

Implementation Support: Offer guidance and tools to assist companies in implementing the framework, including regular audits and assessments.

Expected Outcomes

- Enhanced IT security and resilience across the industry.

- Reduced risk of cyber-attacks and improved operational stability.

iii. Industry-Wide Digital Environmental Sustainability Program

Objective

Launch a coordinated program to promote digital practices oriented towards accelerating sustainable development and reducing the negative environmental impact of air cargo operations using digital approaches and solutions.

Actions

Best Practices: Identify and share best practices for developing and using digital technologies and resources to minimize their negative environmental impact and promote long-term sustainability, such as energy efficiency, digital processes, and e-waste reduction.

Collaboration: Encourage stakeholder collaboration to develop and implement shared digital infrastructure, driving efficiencies, reducing energy use, and eliminating redundancies.

Measurement and Reporting: Develop metrics and tools to measure the environmental impact of digitalization efforts and report progress.

Expected Outcomes

- Reduced negative environmental impacts, including carbon footprint and waste.

- Enhanced sustainability of air cargo operations, through increased operational efficiency and digital practices.

iv. Initiative 4: Air Cargo Technology Radar and Innovation Forum

Objective

Establish an annual Air Cargo Technology Radar and Innovation Forum to keep the industry abreast of emerging technologies and foster a culture of continuous improvement.

Actions

Air Cargo Technology Radar: Partner with a consulting firm to create an annual technology radar, highlighting key digital trends and innovations relevant to the air cargo industry.

Innovation Forum: Organize an annual innovation forum where industry stakeholders can share insights, collaborate on new initiatives, and explore emerging technologies.

Stakeholder Engagement: Encourage active participation from airlines, IT providers, and other industry players in contributing to the trend radar and forum discussions.

Expected Outcomes

- Increased awareness and adoption of cutting-edge technologies.

- Enhanced collaboration and innovation within the industry.

6. Recommended Charter Adherence Checklist

To ensure companies meet their commitments under the Digitalization Leadership Charter, this checklist is structured around the five guiding principles. It provides a clear roadmap for compliance and successful implementation of digitalization initiatives.

Developing a Unified and Collaborative Digital Strategy

- ✓ **Standard Adoption:** Ensure awareness and adoption of the ONE Record standard as part of the company digital strategy.

- ✓ **Training Plan:** Ensure a comprehensive training plan has been defined to upskills people, leveraging on IATA's e-learning and on-site training modules for ONE Record.

- ✓ **Integration Plan:** Develop and document a plan for integrating ONE Record into existing systems and business process.

- ✓ **Stakeholder Engagement:** Actively participate in the IATA Digital Cargo Working Group for support and feedback. Demonstrate leadership during international events or local community driven working groups/workshops.

- ✓ **Communication:** Foster regular communication and collaboration among stakeholders to promote a unified digital strategy.

Enhancing Organizational Resilience

- ✓ **IT Resilience Framework:** Contribute to and adopt the industry-wide IT resilience and security framework.

- ✓ **Cybersecurity Measures:** Implement robust cybersecurity policies and protocols as outlined in the framework.

- ✓ **Periodic IT Reviews:** Conduct regular reviews and upgrades of IT systems to address potential vulnerabilities.

- ✓ **Governance Structure:** Establish a governance structure and roadmap for maintaining IT resilience and security.

- ✓ **Resilience Audits:** Perform regular resilience audits and ensure compliance with the established framework.

Pursuing Sustainable Digitalization

- ✓ **Paperless Operations:** Transition from paper-based to digital processes wherever possible.

- ✓ **Energy-Efficient Technologies:** Implement and promote efficient technologies within operations to reduce energy use and emissions.

- ✓ **E-Waste Reduction:** Establish procedures to minimize electronic waste utilizing circular economy strategies.

- ✓ **Best Practices:** Adopt and share industry best practices and case studies.

- ✓ **Collaborative Efforts:** Engage in collaborative efforts to develop shared digital infrastructure, reducing redundancy and environmental impact.

- ✓ **Measurement and Reporting:** Develop and use metrics to measure the environmental impact of digital initiatives and report on progress.

Pursuing Digital Excellence

- ✓ **Air Cargo Technology Radar:** Stay informed about emerging technologies through the annual technology radar, developed in collaboration with a consulting firm. Contribute as much as possible to this initiative.

- ✓ **Innovation Forums:** Actively participate in annual innovation forums to share insights and collaborate on new initiatives.

- ✓ **Culture of Innovation:** Foster a culture of innovation within the organization by encouraging experimentation and the adoption of new technologies.

- ✓ **Stakeholder Contributions:** Engage with other industry stakeholders to explore and implement innovative solutions.

- ✓ **Impact Monitoring:** Regularly monitor and evaluate the impact of new technologies and innovations on operations and performance.

Using New Technology Ethically

- ✓ **Data Usage Policies**: Develop and enforce clear policies on the ethical use of data and new technologies.

- ✓ **Inclusivity:** Ensure new technologies are accessible and usable by all relevant stakeholders.

- ✓ **Compliance with Laws:** Adhere strictly to laws and regulations governing the use of digital technologies and data.

- ✓ **Ethical Considerations:** Consider the ethical implications of data sharing and technology use, particularly with authorities.

- ✓ **Awareness and Education:** Promote awareness and education around the ethical use of new technologies within the organization.

By adhering to this checklist, companies can align their efforts with the guiding principles of the Digitalization Leadership Charter, ensuring a cohesive and effective approach to digital transformation in the air cargo industry.

7. Conclusion and Next Steps

The workshop emphasized the air cargo industry's collective commitment to digital transformation through the Digitalization Leadership Charter. By adhering to the guiding principles, stakeholders can drive innovation, enhance efficiency, and promote sustainable and ethical practices. The proposed initiatives and checklist provide a clear roadmap for companies to achieve these goals and contribute to the industry's digital future.

Next steps include reviewing the recommended industry initiatives (including objective, feasibility, timeline) and agree on an IATA Charter Adherence Checklist, based on the proposal articulated in the report. The checklist should be used to assess eligibility of new organization willing to sign the charter.

A face-to-face meeting is currently being tentatively scheduled for September 23rd, 2024, just one day ahead of the IATA Digital Cargo Conference. The date will be confirmed to the participants and extended to other eligible participants.

We believe this Digitalization Leadership Charter will foster further collaboration among stakeholders and will help improving digital practices. Together, the industry can achieve a unified and effective approach to digitalization, ensuring a brighter future for air cargo.