



Flying High

| Critical Deliveries Keep Planes Flying

ILS Cargo Group ships much-needed aircraft parts all over the world in emergency Aircraft On Ground (AOG) situations or to planes undergoing regular maintenance. They use the Magaya Cargo System to keep the process running smoothly and update customers 24/7.

“We offer complete supply chain logistics services from ordering to delivery. We don’t just ship a box.”

Placido Sanchez, Director, ILS Cargo Group, Miami



At a Glance

ILS Cargo Group
www.ilscargogroup.com
Industry
 Supply Chain & Logistics Provider
Solution
 Magaya Cargo System

ILS Cargo Group provides logistics services for the aviation and automotive industries, Aircraft on Ground (AOG) services, as well as machinery, food, medical supplies and equipment, musical instruments and others. They have offices and warehouses in the US, São Paulo, Brazil, and Mexico. The company is IATA certified and CNS and FMC approved.

Challenges

When ILS Cargo Group started receiving an increased volume of shipments from their largest customer, a Brazilian airline, they looked for logistics software that could handle the complex processes. They chose Magaya software for its online tracking, customizable billing, and other features. ILS Cargo Group started using Magaya software in its Miami office, and then implemented it in their other locations in Brazil and Mexico and with agents in Europe and other places across the globe.

Before using Magaya, ILS Cargo was using spreadsheets to create 80 to 90 House shipments a day – and that was just in the Miami office.

“We knew that if we didn’t change, the company couldn’t grow,” Placido Sanchez, President of ILS Cargo Miami, said. After the Miami office began using Magaya software, the executive director of the Brazil office, Junior Nelson Munhoes, saw that he could accomplish more shipments with the same amount of staff in his office, and he implemented Magaya software in Brazil. The Miami office uses Magaya software in the warehouse, in the air and ocean divisions for imports and exports, and at the front desk for local deliveries.

Servicing the Aviation Industry

ILS started in Miami in 1990. They expanded to Brazil in 1999 by the owner Julian Ortega who passed away in 2007. The relationships he created in Brazil in the aviation industry still exist. Today, the aviation division is 60% of their business. As business with airlines increased, Mr. Ortega knew he needed a freight forwarding software to help them grow. He hired Mr. Sanchez, a computer science major from Florida International University. Mr. Sanchez has stayed in the freight forwarding industry, using his technology background because he said, “technology is essential to succeeding in this industry.”

One of their largest aviation customers has 130 airplanes. Each plane undergoes regularly scheduled maintenance. Parts that need repairs are removed from the plane, shipped to the Miami warehouse, and sent back out in door-to-door shipments. After repairs are done, the parts return to the Miami warehouse, are placed on racks, and sent out with a Magaya label identifying each box. The status of every package is updated in Magaya LiveTrack for customers to see. Currently they are entering the package information into the airlines computer system, but ILS Cargo Group is testing the Magaya XML API to connect the airline’s system with their Magaya database to cut down on redundant data entry.

The parts that the airline uses on their own planes are called “company materials”. ILS Cargo needed a customized billing formula to process them. “Magaya software is customizable, enabling us to have a special Air Waybill to accommodate the needs of this customer.”

Since aviation is a specialty of theirs, ILS Cargo joined the Aviation Logistics Network (ALN), an association of logistics companies that specialize in sourcing parts, delivering time-critical parts and spares for Aircraft On Ground (AOG) or routine maintenance to Maintenance, Repair, and Overhaul (MRO) stations around the world. The ALN serves as a directory for airlines that are looking for cargo companies who know how to handle aviation materials. The quicker the parts are delivered to the site, the faster that plane is back in flight and earning revenue.

“We offer complete supply chain logistics services from ordering to delivery,” Mr. Sanchez explained. “For our customers, we don’t just receive a box and ship it out. We offer multiple services that save our customers money. For example, shipments going to Brazil must have an accurate weight recorded on the documentation, or there are fines. You only get a 10% variance on the weight.”



If the paperwork states there are 100 items and there are only 90, duties must be paid on the total commodities that the paperwork states, even if the box does not contain all the commodities. We have the experience to avoid penalties by checking all the freight we receive, counting and weighing each piece, comparing part numbers, serial numbers, and quantity to the paperwork that was shipped with the box. That's the value we add. We don't just ship a box."

To process their exports, they use the Automated Export System (AES) feature in Magaya. Ivan Lavernia, the Special Accounts Supervisor for the Aviation division, files AES documentation for over a dozen export shipments every day using the Magaya AES plug-in. He and Mr. Sanchez said he remembered the days before AES filing was available online. "We had a typewriter and three copies of the form. The industry is doing away with paper, and you have to have technology."

Solution

ILS Cargo began using the Magaya Cargo System in 2005 and they have seen it go through many enhancements, which have made them want to stay. "I really like the fact that Magaya Corporation keeps innovating. The system is getting better and faster. Updates to the newest versions are free. I'm looking forward to using new features such as the ISF (10+2) to help increase our imports and online shipping orders to help with shipping instructions. We create about 3,000 House Air Waybills per month. On the days when we do consolidations, we are so busy that it would be a tremendous help to have the shipping instructions entered online."

They also plan to investigate the new contracts manager so they can amend their carrier rates and General Rate Increases (GRIs). "Today, how quickly you respond to a quote can make the difference between getting the business or not. Technology

is essential. If you don't have Magaya software in your hands, you're out of business."

ILS Cargo Group has agents in Germany, France, Italy, and the UK, who are also using Magaya. "It makes it so much easier when we are all working in the same software."

Another reason they chose Magaya software is the online tracking feature in the software. "Many of our customers are agents, and they want information. They get it by logging into the Magaya LiveTrack on our website where they can stay up-to-date on the status of Warehouse Receipts, inventory, and shipments 24 hours a day, 7 days a week."

Getting started with the software had its hurdles for ILS. For example, setting up permissions for in-house users took some time at first, but now they have it down. Mr. Lavernia sets up new employees in the Magaya system and trains them on the software. His experience using Magaya dates back to when he started working as an export clerk at ILS. He has since risen to supervisor, handling all the shipments for the aviation customers.

Automating Charges to Standardize Processes

In addition to the custom billing formulas to process company materials, they use automated accounting features that are built into the software.

Mr. Sanchez explained that the automated accounting enables him to set up charges and have them automatically included in transactions such as Warehouse Receipts. "It ensures we are billing each client correctly. So when I have a new employee, this automated feature ensures they correctly bill the customer and we do not miss the revenue. Employees do not have to memorize rates or prices. The automated accounting feature puts the prices in the software dropdown menus."



They also use an automated formula to calculate storage correctly. "We give customers the first 30 days of storage free. Then we apply a formula automatically to calculate the storage fees for customers. Ivan handles this, and it was very time consuming before we automated it in our Magaya system. Now, automation has freed up about 3 to 4 hours of Ivan's time a week."

"Magaya makes you structure your billing. Now all our agents use the selling rates and they know the costs. It was hard work to set up, but now it works great. If someone bills something incorrectly, the liquidation throws up a flag to let me know if something is not done right. I have more control over the processes."

Future Plans

"ILS can grow by having one employee and a computer with Magaya on it," Mr. Sanchez said. "We can expand with low cost to new markets and have an ILS employee in those locations, giving our customers confidence that we are handling their cargo, not a third party that they do not know. Magaya has been great for us to open in the UK, France, Germany, Spain, and other locations."

In Miami, they have 22 employees in the office and 8 employees in their 15,000 square-foot warehouse. In Brazil there are about 60 employees in the São Paulo office and many locations throughout Brazil. There are about 30 in the Mexico office.

As part of their growth plan, ILS Cargo has diversified the services they offer by including a temperature-controlled storage area for medical and pharmaceutical supplies that require refrigeration.

"Magaya keeps innovating," Mr. Sanchez said. "That helps me as a mid-sized freight forwarder. I can afford to grow and be competitive because the software gives me what the big companies have, but for less money. Magaya is very cost effective for us."