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A simple solution that could save millions of dollars in messaging costs

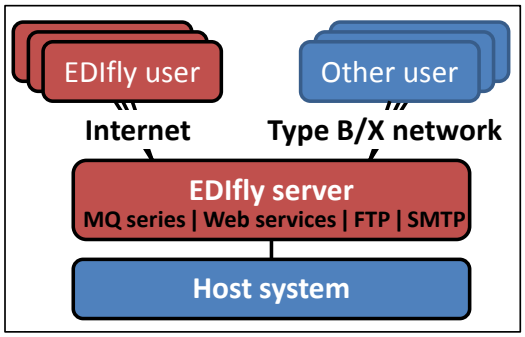
Despite the fact that we live in the Internet age, informed sources claim that the airline industry still pays in excess of US$250 million per annum to send EDI messages over traditional networks. A new company reckons it could save carriers as much as 75 percent of those costs with a piece of software that takes from two hours to install.

Innovative Software is a new company whose EDIfly software can route EDIfact, Type B and Type X messages to other EDIfly users over the Internet at little or no incremental cost.

The application runs on the server that normally sends Type B messages to network providers such as SITA and ARINC. It checks each message against a directory to see if the recipient is also an EDIfly customer, in which case the message is routed via the Internet.

Messages sent by the Internet are encrypted, compressed and digitally signed, with this sequence being reversed at the other end. An acknowledgement is sent back to confirm that the message has been received. The sender thus improves control of message delivery compared to some traditional suppliers.

The greatest savings for customers come when EDIfly is used by many or most of the client's partners.



Widespread use is increasing as several carriers and ground handlers are signing up. Richard Stokes, EDIfly CEO, says that some 20 airlines and 40 airline partners are running trials or about to trial the software, including big industry names in Europe, the Middle East and Asia.

"Arguably the Internet is more reliable and faster than a traditional 'store and forward' connection"

EDIfly allows any carrier that installs its software to offer free licenses to its handling partners for bilateral exchanges; Cargolux has offered the software to 30 ground handlers, for example. These partners can then be enabled to receive EDIfly messages from other carriers, handlers or government agencies.

One cargo carrier signed a contract for EDIfly in January 2012, and insisted on a six-month trial with a partner to see if the messaging service was reliable. Stokes says the test was passed without problem and the carrier has now gone live with many handling partners. Over a three-year contract, he claims, it expects to save about 75 percent of its former Type B messaging costs.

That trial demonstrated that the Internet can now be relied upon for mission-critical messaging. "Arguably the Internet is more reliable and faster than a traditional 'store and forward' connection," Stokes says.

The EDIfly application can take appropriate action in the case of an Internet connection failure – something that is becoming increasingly rare says Stokes. "EDIfly users can define various options; for example, if a message is not acknowledged by the recipient in two minutes, it is re-sent a pre-set number of times. If that still fails, then the message will be routed via the traditional legacy networks," he says.

EDIfly is not limited to cargo applications. An airline global distribution company has already agreed to try the software wile talks continue to advance with other organizations. Meanwhile, one carrier is using the software to communicate internally between back-end systems; a use that Stokes admits he had not thought of.

Stokes is confident that within a year at least 30 airlines and many of their handling partners will be using EDIfly and saving many millions of dollars in charges. "Airlines are so fed up with traditional messaging costs that some, including Unisys-hosted carriers, now use Internet-based host to host connections with their top partners. EDIfly offers another way to reduce legacy communications costs by using Internet technology to reach a wide base of clients easily." ■