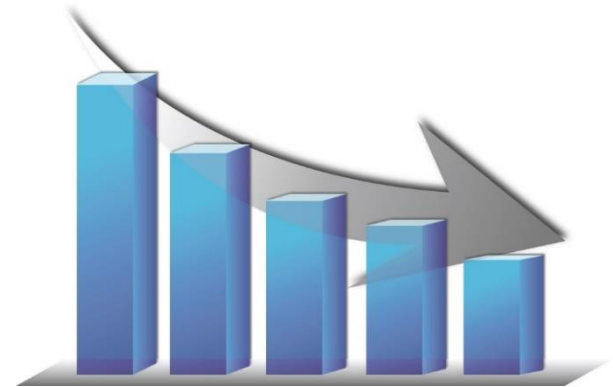




Passenger Rejection Reduction Project

Kirk Pereira

25th April 2017



SIS Rejection Memo

Rejection Memo

From: [REDACTED]

To: [REDACTED]

Our Reference:

Rejection Memo No:	RM000910807	Source Code:	5
Invoice No:	1703006KAP	Rejection Stage:	2
Billing Month:	MAR-2017	Attachment Indicator Original:	Yes
Billing Period:	3	Exchange Rate:	1.00000
Our Ref (Internal Use):		Currency of RM:	USD

Your Reference:

Your Invoice No:	201701313R	FIM/BM/CM Indicator:	None
Your Billing Month:	JAN-2017	FIM/Billing Memo/Credit Memo No:	
Your Billing Period:	4	FIM Coupon No:	
Your RM No:	10000026		

Rejection Amounts

Rejection Memo Amounts	Gross Amt	ISC Amt	Other Comm. Amt	UATP Amt	Handling Fee Amt	Tax Amt	VAT Amt	Net Reject Amt
Your Billing	30.07	-2.71	0.00	0.00	0.00	0.00	0.00	
We Accept	120.00	0.00	0.00	0.00	0.00	0.00	0.00	
Difference	89.93	2.71	0.00	0.00	0.00	0.00	0.00	92.64

Reason for Rejection: 1A:VALUATION ERROR

Additional Remarks: PLEASE NOTE THAT AS PER . SPA ANNEX C CLAUSE 6 RBD L USD 120.00 FIXED VALUE IS APPLICABLE FOR THE DISPUTED SECTOR.

Rejected Coupon Details

Ticket No	Sector	Original PMI	Validated PMI	Agreement Indicator Supplied	Agreement Indicator Validated
2336710044 3					

Rejected Coupon Amounts

Coupon Amts	Gross Amt	ISC %	ISC Amt	Other Comm. %	Other Comm. Amt	UATP %	UATP Amt	Handling Fee Amt	Tax Amt	VAT Amt	Net Reject Amt
Your Billing	30.07	-9.00	-2.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
We Accept	120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Difference	89.93		2.71		0.00		0.00	0.00	0.00	0.00	92.64

How many of you remember this?



Before SIS

- The exact global number of interline billings, rejections and correspondences was unknown.



With SIS

- Global system to track the exact number of prime billings, rejections and correspondences.





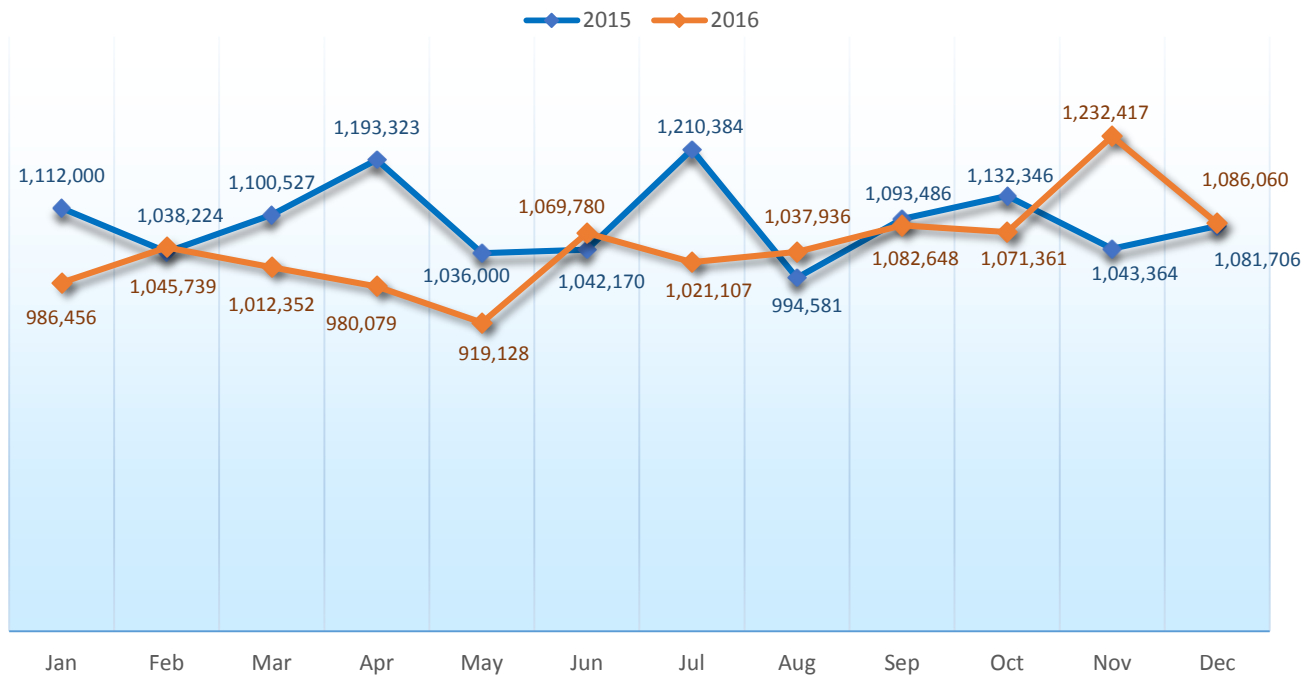
Why reduce rejections?

Improve cash flow

Increase efficiency

Decrease overall cost at industry level

Global RM Count 2015 vs 2016

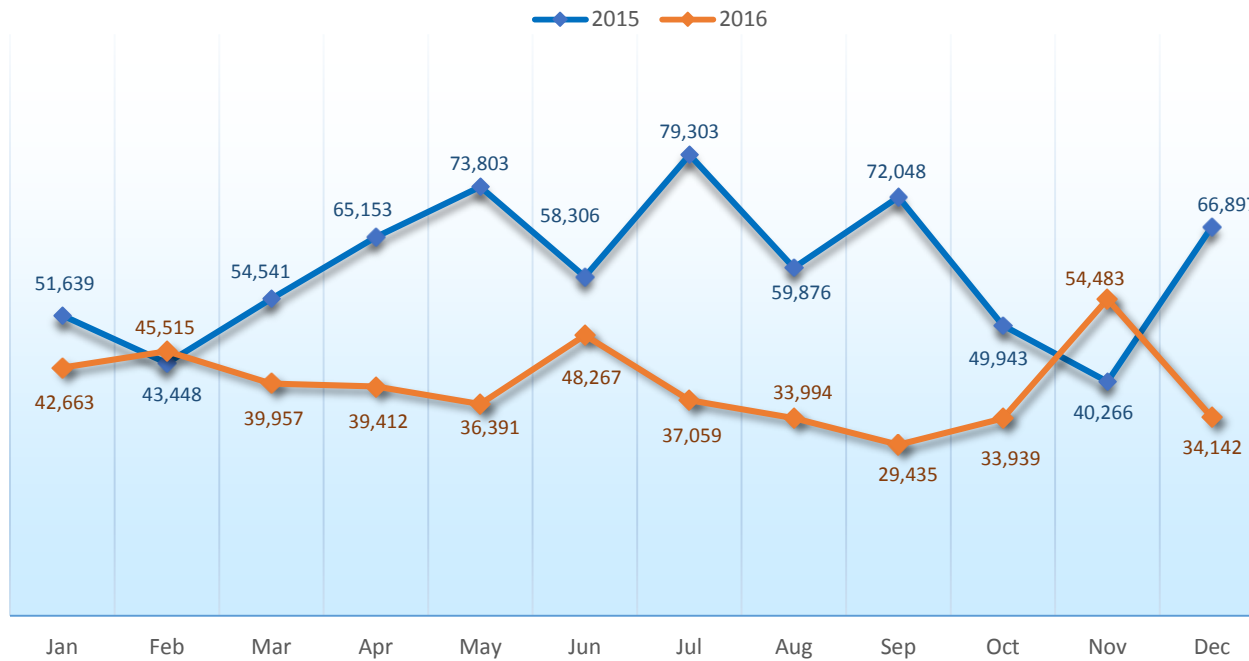


↗ 2015 average monthly rejection memo count was **1,089,843**

↗ 2016 average monthly rejection memo count is **1,045,422**

↗ **4% decrease**

ACH RM Count 2015 vs 2016



➤ 2015 average monthly rejection memo count was **59,602**

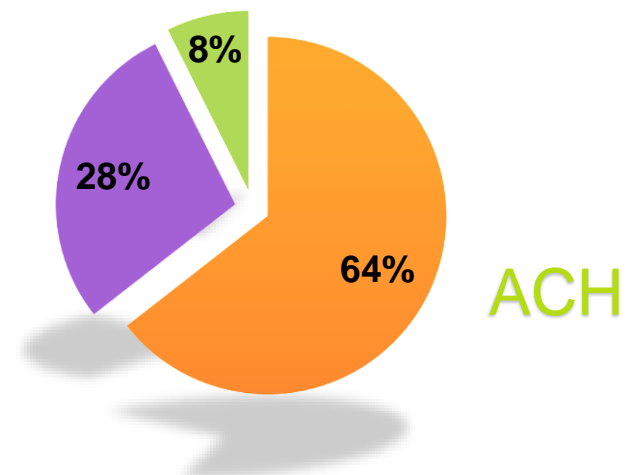
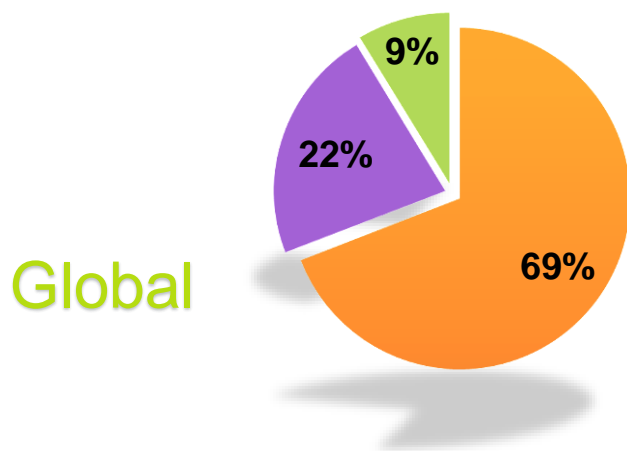
➤ 2016 average monthly rejection memo count is **39,605**

➤ **34% decrease**

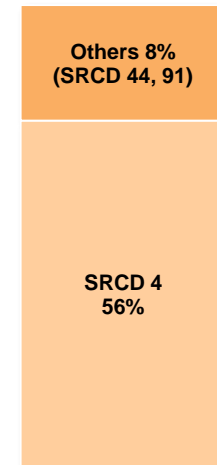
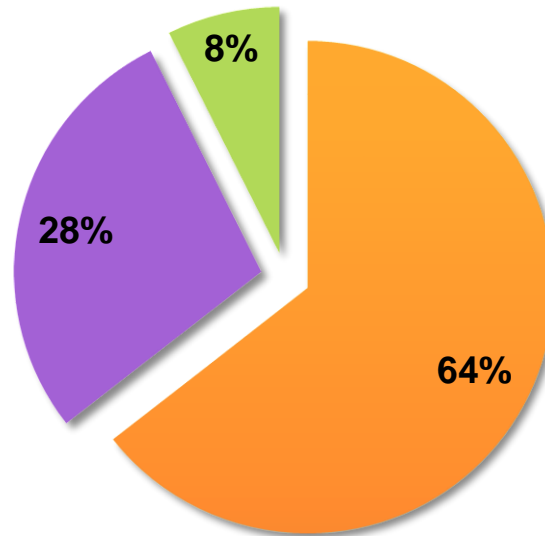
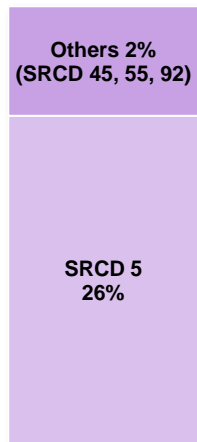
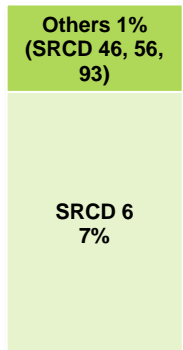


2016 Rejections Split by Stage

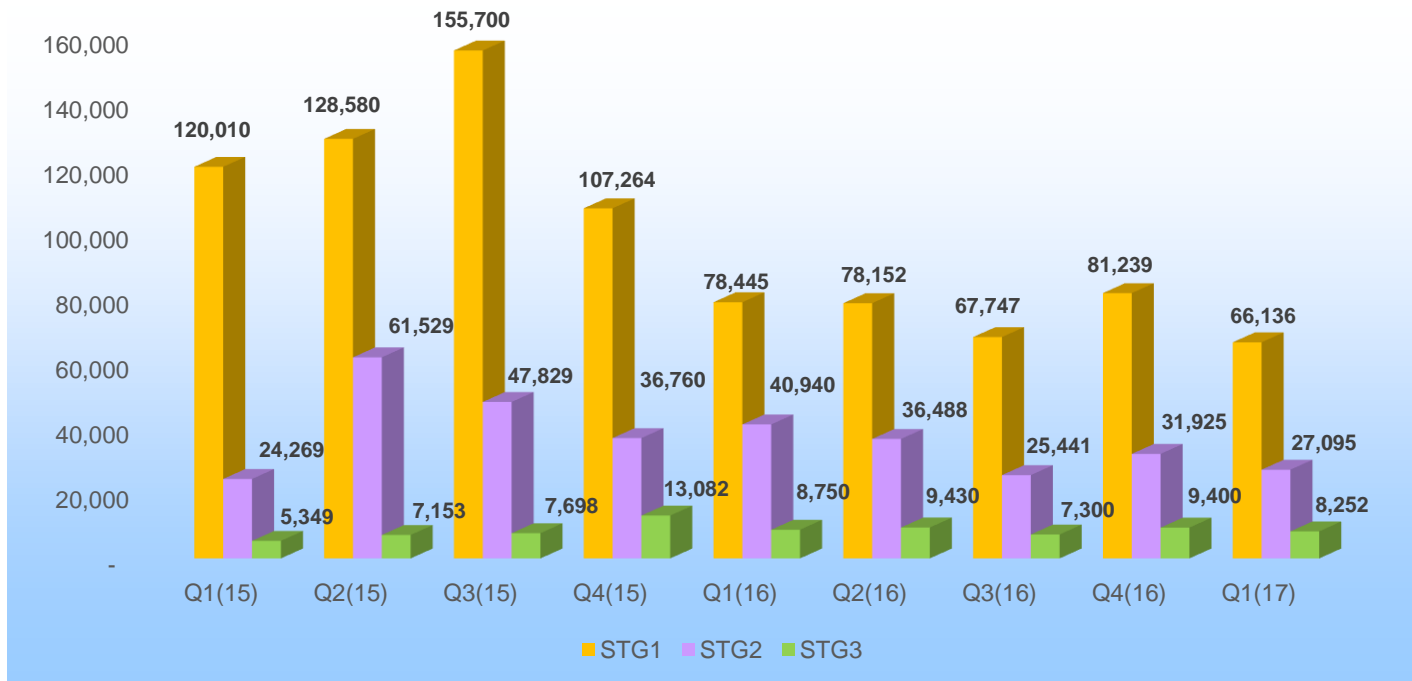
■ Stage 1 ■ Stage 2 ■ Stage 3



ACH Split by Source Code



ACH RM Count - Split by Quarter



Our Approach

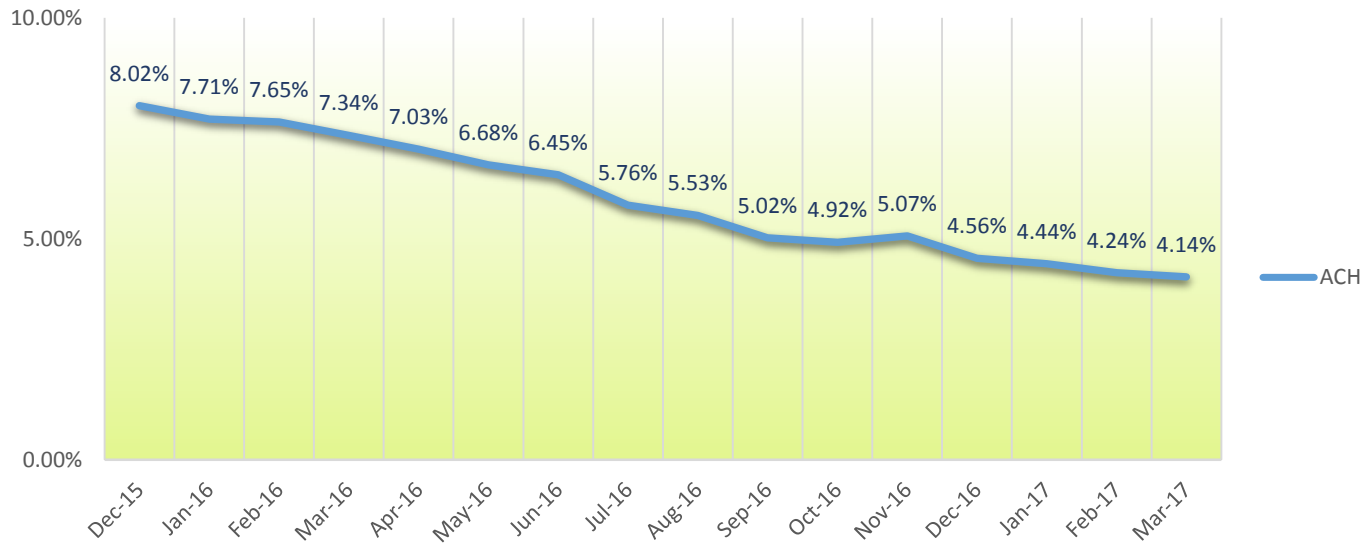
Analyze & Report

Contact & Give Recommendations

Measuring progress

$$\frac{\text{Sum of Stage 1 RMs of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$

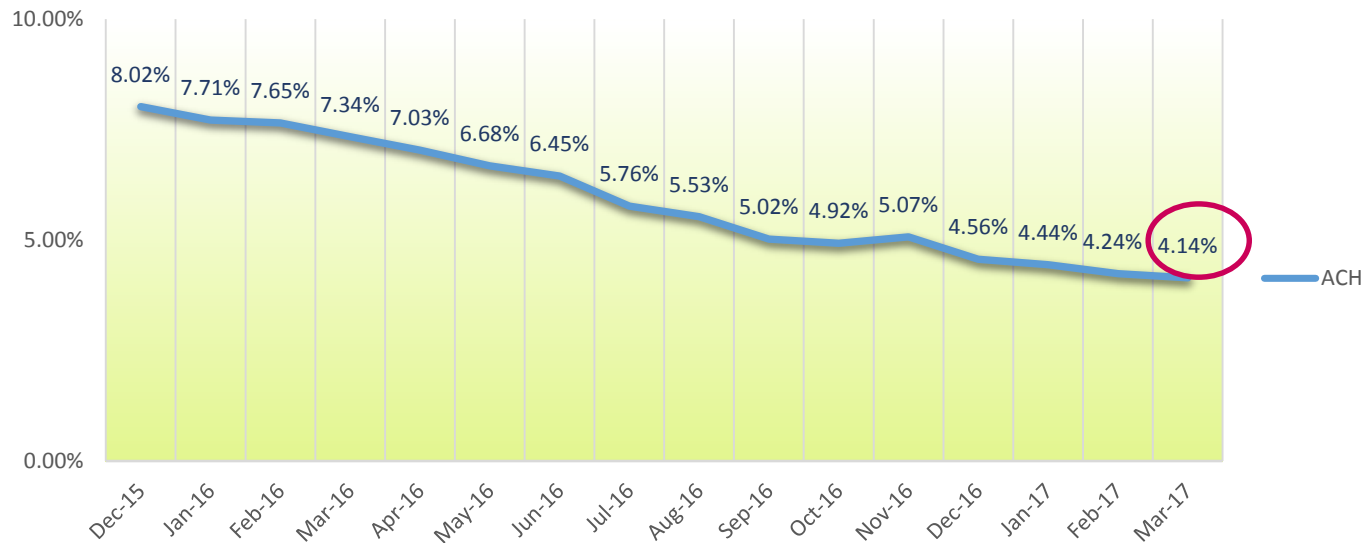
Ratio



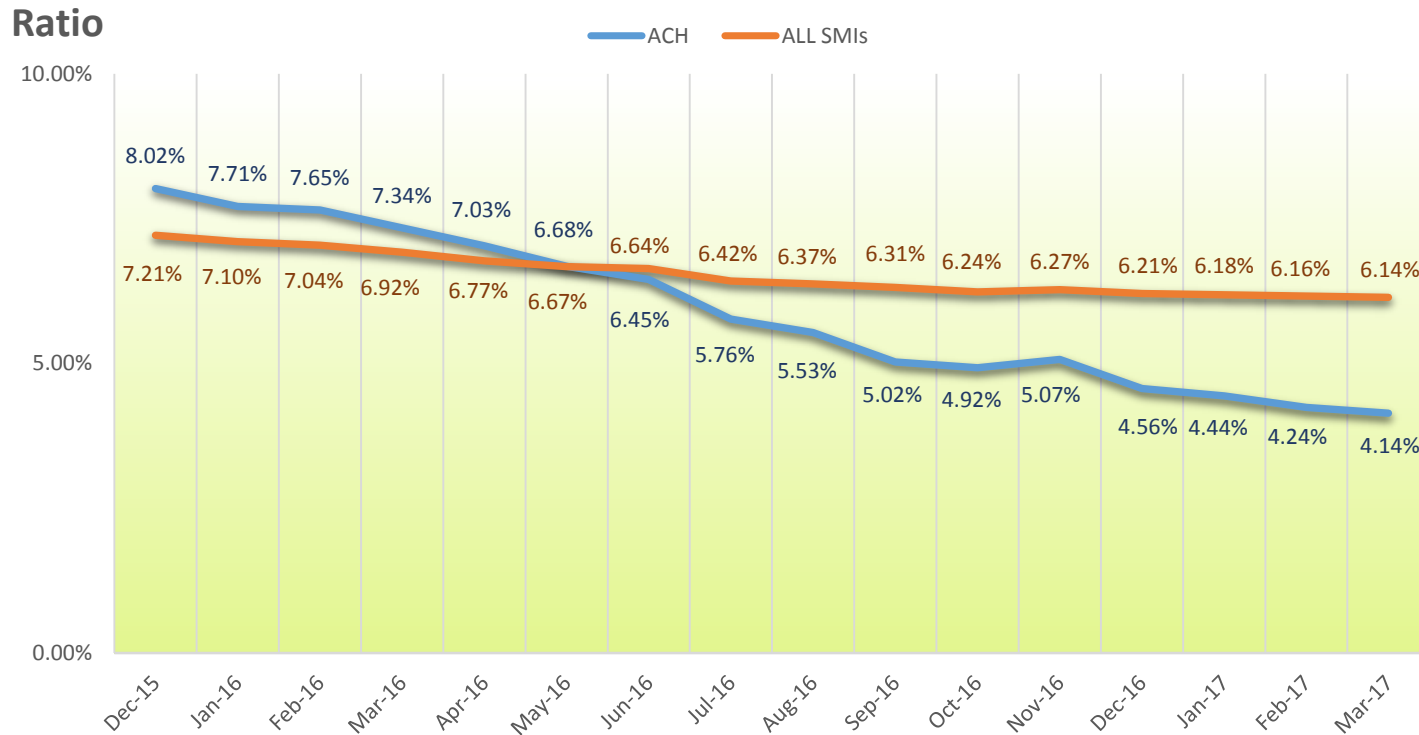
Measuring progress - example

$$\frac{\text{Sum of Stage 1 RMs of Apr 2016–Mar 2017}}{\text{Sum of Prime Billings of Apr 2016–Mar 2017}} \times 100\% = \frac{293,274}{7,079,586} \times 100\% = 4.14\%$$

Ratio



Trend of Rejections



ACH 2016 rejection reason codes

Top 5 rejection reason codes sorted as per stage 1

Reason Code*	Reason Description	Stage 1 Count	Stage 1 %	Stage 2 Count	Stage 2 %	Stage 3 Count	Stage 3 %	Total
1B	Fare Reclaim	178,603	59%	104,848	78%	24,597	71%	308,048
1G	Tax Reclaim	80,555	26%	13,902	10%	5,317	15%	99,774
1A	Fare/Tax/ISC	19,892	7%	4,429	3%	1,354	4%	25,675
1C	ISC Reclaim	11,136	4%	8,226	6%	2,102	6%	21,464
2B	Duplicate Billing	5,264	2%	326	0%	152	0%	5,742

Action at our end



Monitor and inform

- Monitor the monthly trend of rejections

- Report on the monthly / quarterly trend
 - SIS SG
 - IBSOPS WG

Contact airlines with high volumes

- Provide personalized reports that contain
 - Trend of rejections against prime coupons billed
 - Trend of rejections against prime coupons received
 - Top 5 airlines that should be looked into
 - Top reason codes used
 - Recommendations and observations

- Follow-up with a call to discuss the report

Improve data quality validations in SIS

- Mandatory reason remarks for all RM stages
- Mandatory reason remarks for 5Z billing memos



SIS RM analysis reports

Receivables - Passenger Rejection Analysis

Search Criteria: From Billing Year:2016, From Billing Month:Jan, To Billing Year:2016, To Billing Month:Jan, Billed Member Code:All, Currency Code:USD, Include FIM Data:Yes

Outward Billing Month-Year	Billed Member Code	Billed Member Name	Currency Code	Total No of Prime Coupons	Total Value of Prime Coupons	1st Rejection - Received				2nd Rejection - Raised					
						No of Coupons Rejected (R1)	Total Rejected Amount (R1)	Rejection Received % by Cpn count Vs Prime billing (R1)	Rejection Received % by Rejected Value Vs Prime billing (R1)	No of Coupons Rejected (R2)	Total Rejected Amount (R2)	Rejection Raised % by Cpn count Vs Prime billing (R2)	Rejection Raised % by Rejected Value Vs Prime billing (R2)	Rejection Raised % by Cpn count Vs 1st Rej. (R2)	Rejection Raised % by Rejected Value 1st Rej. (R2)
JAN - 16			USD	1,100	128,545.26	5	428.98	0.45	0.33	1	58.98	0.09	0.05	20.00	1:
JAN - 16			USD	241	38,410.32	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	2,036	603,991.54	3	79.63	0.15	0.01	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	2	265.46	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	85	11,815.93	3	128.78	3.53	1.09	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	599	69,625.87	59	8,024.71	9.85	11.53	26	2,670.13	4.34	3.83	44.07	3:
JAN - 16			USD	20	5,552.51	1	78.80	5.00	1.42	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	6,981	1,170,364.94	615	2,336.99	8.81	0.20	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	86	32,791.50	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	838	228,115.75	58	30,833.13	8.94	13.43	9	4,129.12	1.08	1.81	15.52	1:
JAN - 16			USD	189	88,291.28	30	28,863.96	15.87	32.47	18	13,763.36	9.52	15.59	60.00	4:
JAN - 16			USD	2,363	479,874.23	123	6,260.68	5.21	1.30	65	1,808.44	2.75	0.38	52.85	2:
JAN - 16			USD	299	24,832.98	80	9,098.23	20.07	36.84	10	1,416.57	3.34	5.70	18.87	1:
JAN - 16			USD	59	16,165.88	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	1
JAN - 16			USD	1,274	212,566.38	84	5,710.05	6.59	2.99	53	4,837.49	4.16	2.28	63.10	8:
JAN - 16			USD	18,887	3,059,959.20	20	1,319.37	0.11	0.04	10	607.07	0.05	0.02	50.00	4:

SIS RM analysis reports

Analysis - Non Sampling Report

Rejection raised % by rejected value Vs 1st Rej. (R2)	3rd Rejection - Received						Correspondence										
	No of Coupons Rejected (R3)	Total Rejected Amount (R3)	Rejection Received % by Cpn count Vs Prime billing (R3)	Rejection Received % by Rejected Value Vs Prime billing (R3)	Rejection Received % by Cpn count Vs 2nd Rej. (R3)	Rejection Received % by Rejected Value Vs 2nd Rej. (R3)	Corr-No of Coupons Disputed	Corr-Dispute % by Cpn count Vs Prime billing	Corr-Dispute % by Cpn count Vs 3rd Rej.	Corr-Value of Coupons Disputed	Corr-Dispute % by value Vs Prime billing	Corr-Dispute % by Value Vs 3rd Rej.	Corr-No of Coupons Accepted & Closed	Corr- No of Coupons Expired & Closed	Corr- No of Coupons Billed & Closed	Corr- No of Coupons Open	Corr-Value of Coupons Open
13.75	1	58.98	0.09	0.05	100.00	100.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
33.27	23	2,585.88	3.84	3.71	88.48	96.84	2	0.33	8.70	211.42	0.30	8.18	2	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
13.48	6	291.52	0.72	0.13	66.67	7.06	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
48.02	17	13,635.78	8.99	15.44	94.44	99.07	3	1.59	17.65	398.53	0.46	2.92	1	0	0	2	335.78
28.89	21	682.20	0.89	0.14	32.31	37.72	1	0.04	4.76	50.67	0.01	7.43	0	0	1	0	0.00
15.57	5	378.31	1.07	1.52	50.00	26.56	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
84.72	23	2,492.27	1.81	1.17	43.40	51.52	2	0.16	8.70	752.25	0.35	30.18	0	1	1	0	666.07
46.01	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0.00
86.50	18	1,212.93	2.37	0.97	16.82	11.17	3	0.39	16.67	246.57	0.20	20.33	0	0	1	2	195.35

3rd Rejection - Received						Correspondence										
No of Coupons Rejected (R3)	Total Rejected Amount (R3)	Rejection Received % by Cpn count Vs Prime billing (R3)	Rejection Received % by Rejected Value Vs Prime billing (R3)	Rejection Received % by Cpn count Vs 2nd Rej. (R3)	Rejection Received % by Rejected Value Vs 2nd Rej. (R3)	Corr- No of Coupons Disputed	Corr- Dispute % by Cpn count Vs Prime billing	Corr- Dispute % by Cpn count Vs 3rd Rej.	Corr- Value of Coupons Disputed	Corr- Dispute % by value Vs Prime billing	Corr- Dispute % by Value Vs 3rd Rej.	Corr-No of Coupons Accepted & Closed	Corr- No of Coupons Expired & Closed	Corr- No of Coupons Billed & Closed	Corr- No of Coupons Open	Corr- Value of Coupons Open
73	22,330.27	4.48	3.31	65.18	48.23	25	1.53	34.25	16,399.61	2.43	73.44	0	0	25	0	0.00
16	5,347.18	3.13	1.81	72.73	66.85	6	1.17	37.50	4,924.13	1.67	92.09	0	0	5	1	1,582.48

Similar Report for Payables

Payables - Passenger Rejection Analysis -

Search Criteria: From Billing Year: 2016, From Billing Month: Jan, To Billing Year: 2016, To Billing Month: Jan, Billed Member Code: All, Currency Code: USD, Include FIM Data: Yes

Inward Billing Month-Year	Billing Member Code	Billing Member Name	Currency Code	Total No of Prime Coupons	Total Value of Prime Coupons	1st Rejection - Raised				2nd Rejection - Received					
						No of Coupons Rejected (R1)	Total Rejected Amount (R1)	Rejection Raised % by Cpn count Vs Prime billing (R1)	Rejection Raised % by Rejected Value Vs Prime billing (R1)	No of Coupons Rejected (R2)	Total Rejected Amount (R2)	Rejection Received % by Cpn count Vs Prime billing (R2)	Rejection Received % by Rejected Value Vs Prime billing (R2)	Rejection Received % by Cpn count Vs 1st Rej. (R2)	Rejection Received % by Rejected Value Vs 1st Rej. (R2)
JAN - 16		O	USD	19	843.48	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
JAN - 16			USD	16	2,209.14	5	44.55	31.25	2.02	4	41.82	25.00	1.89	80.00	93.87
JAN - 16			USD	332	28,633.77	13	301.64	3.92	1.05	6	183.65	1.81	0.64	46.15	60.88
JAN - 16			USD	1,920	148,401.82	232	5,071.89	12.08	3.42	215	2,911.74	11.20	1.96	92.67	57.41
JAN - 16			USD	734	129,508.03	17	1,481.74	2.32	1.14	0	0.00	0.00	0.00	0.00	0.00
JAN - 16			USD	229	24,727.01	28	5,871.29	12.23	23.74	26	5,780.81	11.35	23.38	92.86	98.46
JAN - 16			USD	37	3,175.44	0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
JAN - 16			USD	1,055	105,977.18	264	13,790.50	25.02	13.01	202	8,258.01	19.15	7.79	76.52	59.88
JAN - 16			USD	72	25,696.80	16	15,512.20	22.22	60.37	12	495.01	16.67	1.93	75.00	3.19
JAN - 16			USD	31	3,959.71	2	695.21	6.45	17.56	1	7.11	3.23	0.18	50.00	1.02
JAN - 16			USD	134	10,990.31	28	1,368.00	20.90	12.45	4	520.52	2.99	4.74	14.29	38.05
JAN - 16			USD	49	3,928.25	10	1,028.01	20.41	26.17	0	0.00	0.00	0.00	0.00	0.00
JAN - 16			USD	2,177	598,251.29	59	5,123.43	2.71	0.86	45	1,149.30	2.07	0.19	76.27	22.43

Total No of Prime Coupons	Total Value of Prime Coupons	1st Rejection - Raised				2nd Rejection - Received					
		No of Coupons Rejected (R1)	Total Rejected Amount (R1)	Rejection Raised % by Cpn count Vs Prime billing (R1)	Rejection Raised % by Rejected Value Vs Prime billing (R1)	No of Coupons Rejected (R2)	Total Rejected Amount (R2)	Rejection Received % by Cpn count Vs Prime billing (R2)	Rejection Received % by Rejected Value Vs Prime billing (R2)	Rejection Received % by Cpn count Vs 1st Rej. (R2)	Rejection Received % by Rejected Value Vs 1st Rej. (R2)
1,055	105,977.18	264	13,790.50	25.02	13.01	202	8,258.01	19.15	7.79	76.52	59.88

Recommended Action

What can you start doing?



Monitor Incoming Rejection Trends

- Is there a higher number of rejections being received
- Is there a problem with your prime billings
- If yes, make changes immediately so that your next cycle of billings are not affected
- If there is an interpretation issue - talk to your interline partner
- **DO NOT WAIT FOR IT TO GO TO CORRESPONDENCE**

Monitor trends of Raised Rejections

- Is there a higher number of rejections than usual
- If yes, is it against any particular airline or scenario
- Check a sample and identify the cause
- If there is an issue at your partners end - contact them

Monitor Key Changes

- New SPA agreements
- New tax codes / change in rules
- Change / Upgrade of your Revenue Accounting / Proration / Tax Engines

Important

- Its not a one-way street



- You have to work with your interline partners to make this successful

In Conclusion

What

- Reduce Unnecessary Rejections

How

- Bill correctly
- Monitor your incoming rejections trend
- Discuss with your billing partners

Why

- Increase efficiency
- Improve cash flow
- Decrease cost



Questions?



Meet us during the next few days

Or contact us at
sishelp@iata.org