Agenda

Background

Progress

Actions Taken

Homework

Background

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.

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But...

We also realized that we have a huge number of rejections and bad practices!

In 2015, the IATA Financial Committee (FINCOM) tasked the IBSOPS WG to reduce unnecessary rejections in the industry.

Target:
Achieve a reduction of **32%** by the year **2020**.

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Goal

Reduce Rejections and Cost by improving the quality of interline billings!
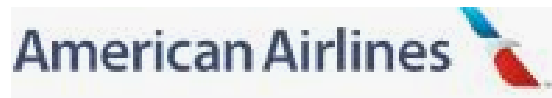
Who's involved in this initiative?

The Entire Industry!

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Who's leading this initiative?

- The IBSOPS Working Group

- An advisory group:
  (volunteers supporting the initiative)

And supported by us

….the IATA Rejection Reduction Team:
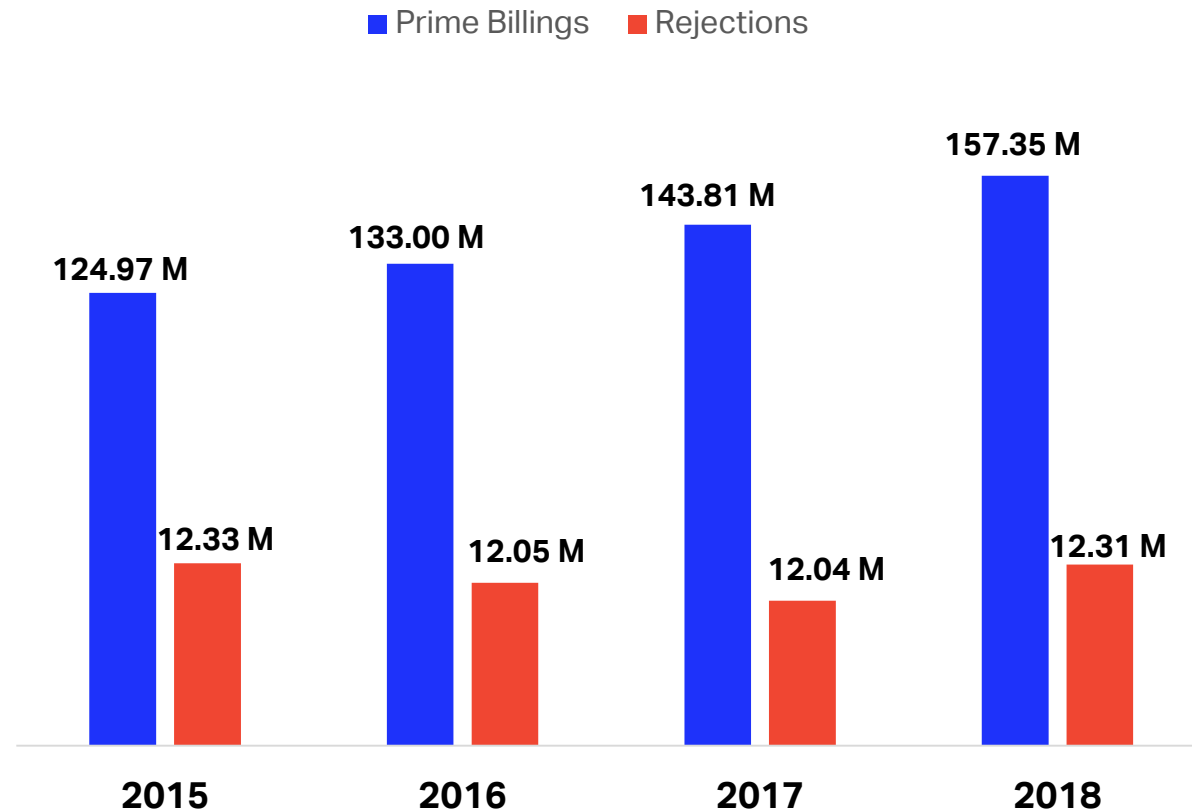
Adina

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Andres

Vivekh

Daniela

IATA

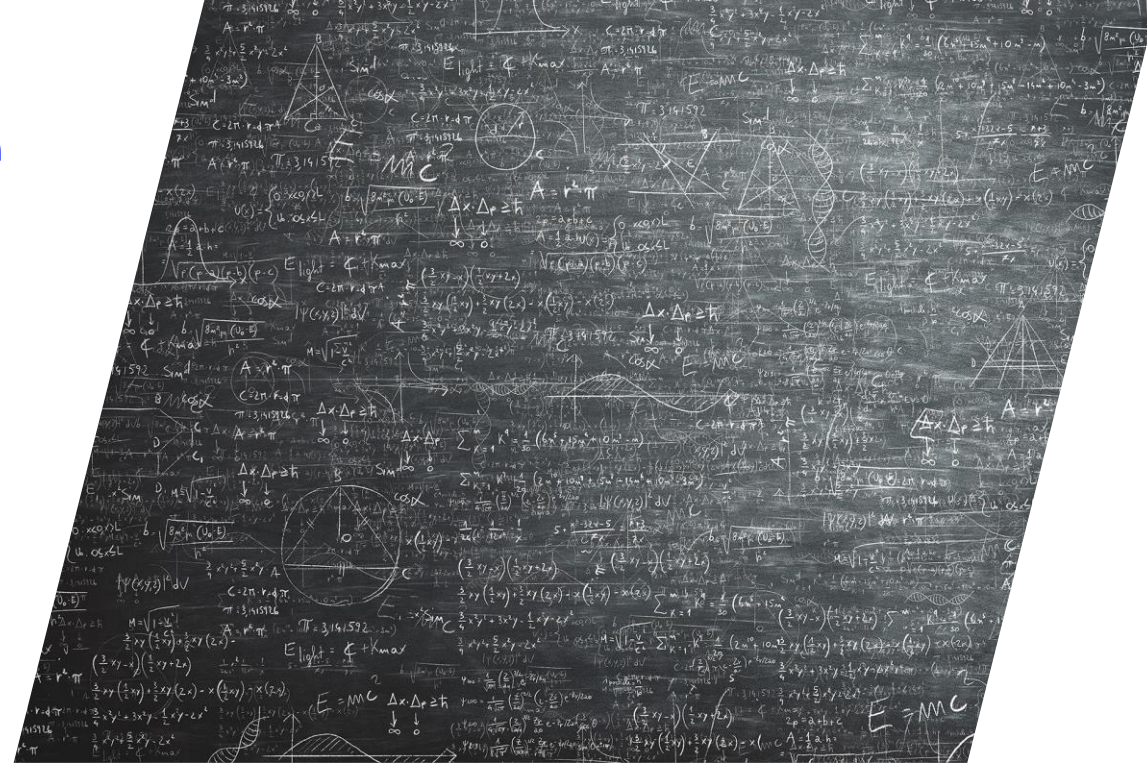# Progress

Prime Billing and Rejection Counts (2015 - 2018)

■ Prime Billings ■ Rejections

	2015	2016	2017	2018
Prime Billings	124.97 M	133.00 M	143.81 M	157.35 M
Rejections	12.33 M	12.05 M	12.04 M	12.31 M

*Note: All values in this report exclude ACH billings (settlement through ACH using ACH rules) and sampling billings.

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How do we measure progress?

We measure the percentage decrease in the Rejection Rate in comparison to the base year, 2015.

$$\text{Rejection Rate} = \frac{\textit{Sum of Rejection Memos of Past 12 months}}{\textit{Sum of Prime Billings of Past 12 months}} \times 100\%$$

Progress

We have achieved nearly 21% reduction so far:
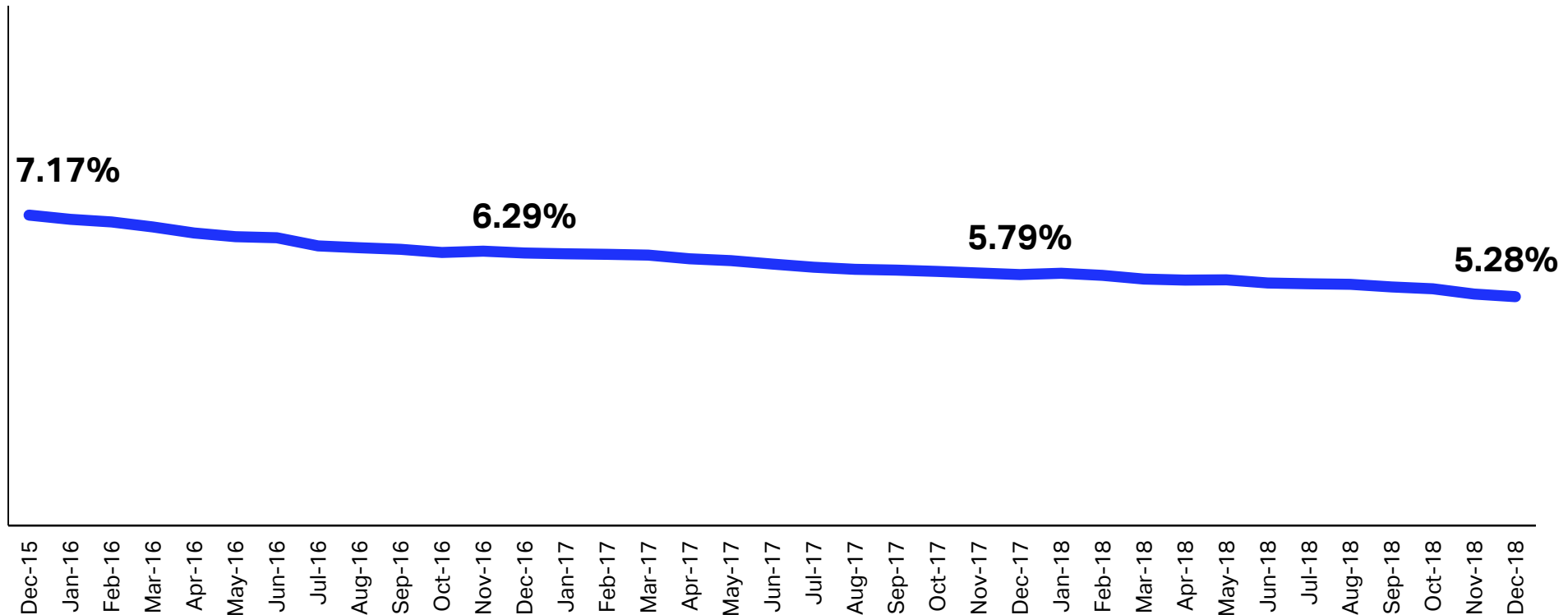
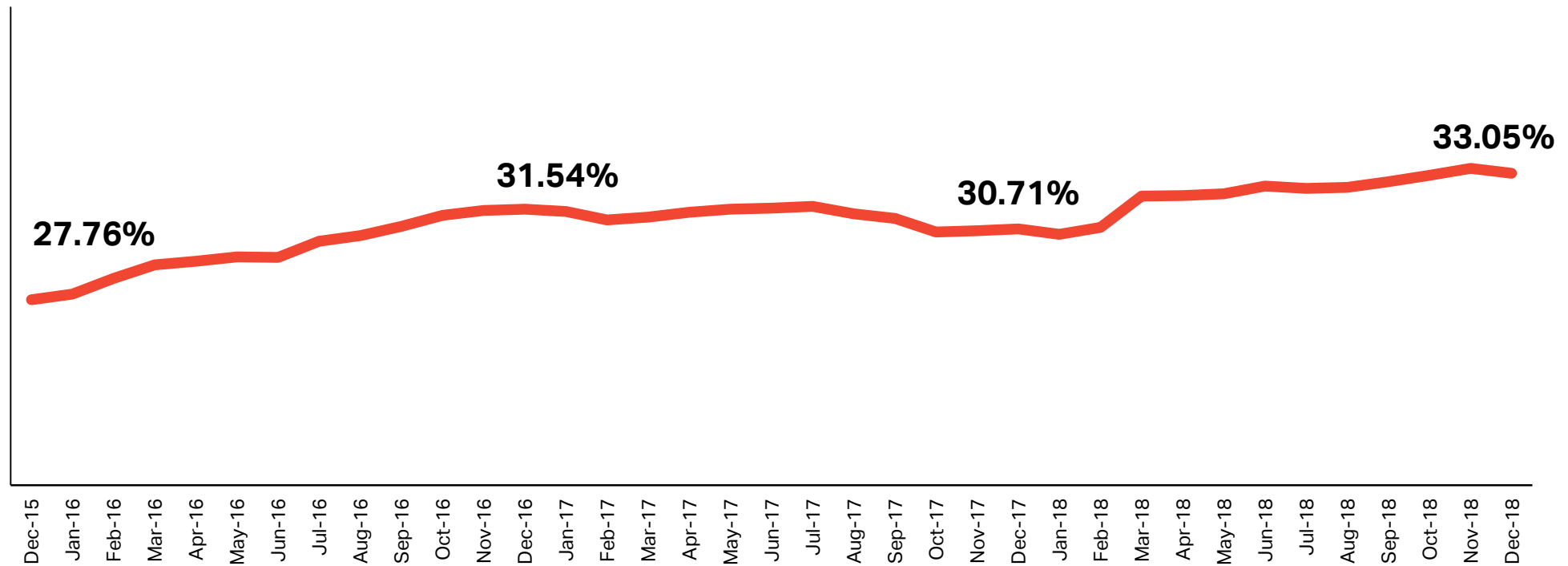|	2016	2017	2018	2019	2020
% Reduction (Target)			21%	27%	32%
% Reduction (Actual)	8.21%	15.14%	20.73%		

We need your support to continue improving!

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Stage 1 Analysis

The percentage of rejected prime billing counts:
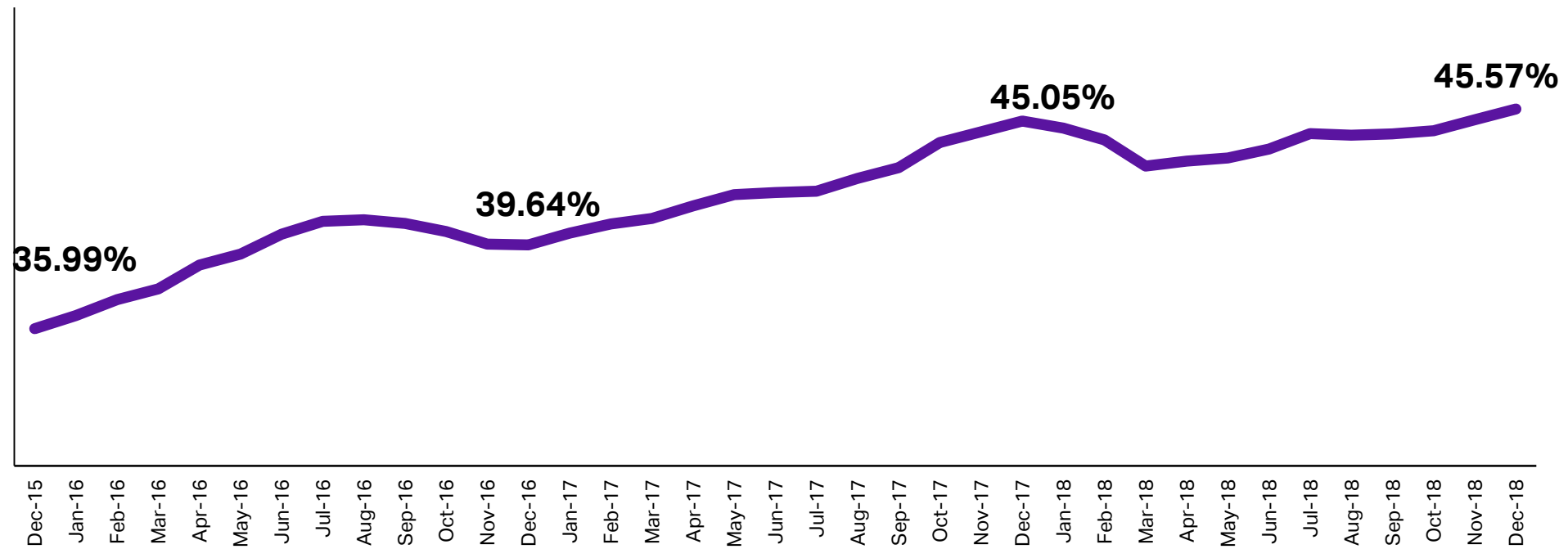
Stage 2 Analysis

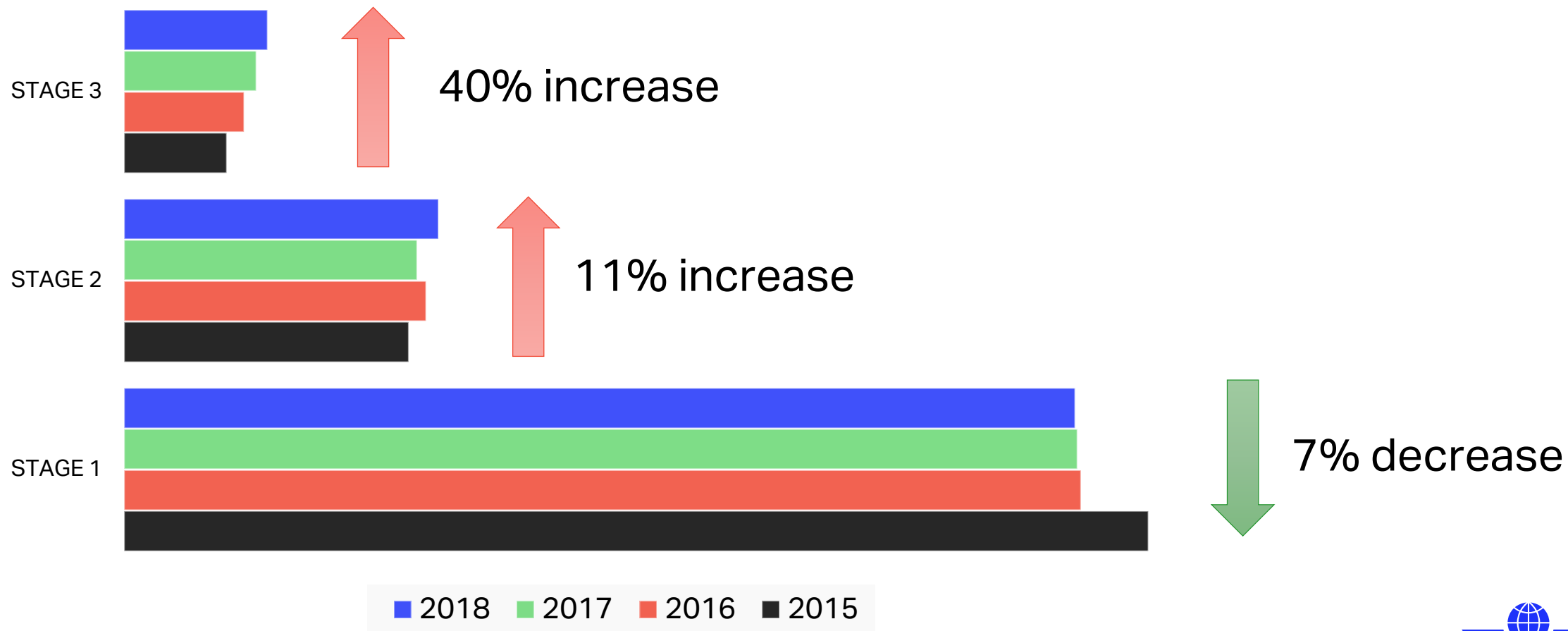The percentage of re-rejected 1st stage rejections:

27.76%   **31.54%**   **30.71%**   **33.05%**

Stage 3 Analysis

The percentage of re-rejected 2nd stage rejections:

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Analysis per Stage

Main Reasons of Rejection

Top 7 Reason codes (sorted as per 1st stage):

Reason Code	Reason Description	1st Stage 2018	2nd Stage 2018	3rd Stage 2018
1G	Tax Reclaim	41%	29%	30%
1B	Fare Reclaim	37%	50%	49%
1A	Fare/Tax/ISC	11%	8%	9%
1E	UATP Reclaim	3%	~0%	~0%
1C	ISC Reclaim	3%	4%	4%
5Z	Others	2%	6%	5%
2B	Duplicate Billing	1%	1%	0%

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Value of Rejections

USD Amount (Millions)

$1,729.95

$1,414.87

$1,293.40

$1,255.34

2015   2016   2017   2018
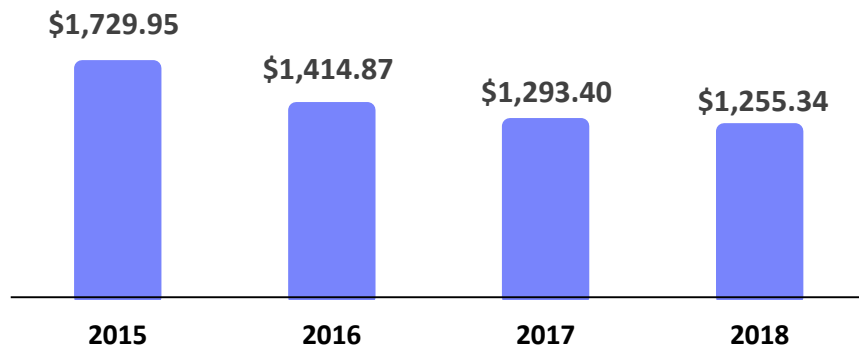
Year	Average USD Value per Rejection
2015	$ 140 USD
2016	$ 117 USD
2017	$ 107 USD
2018	$ 102 USD

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Actions taken

How did we do it?

AWARENESS

- **Multiple presentations at industry meetings (WFS)**

- **Multiple conference calls with WGs**

- **Continuous reports and communications to the industry**

COLLABORATION

Close collaboration between IATA and the Airlines to:

- **Identify the reasons of rejection**

- **Compile a list of Best Practices**
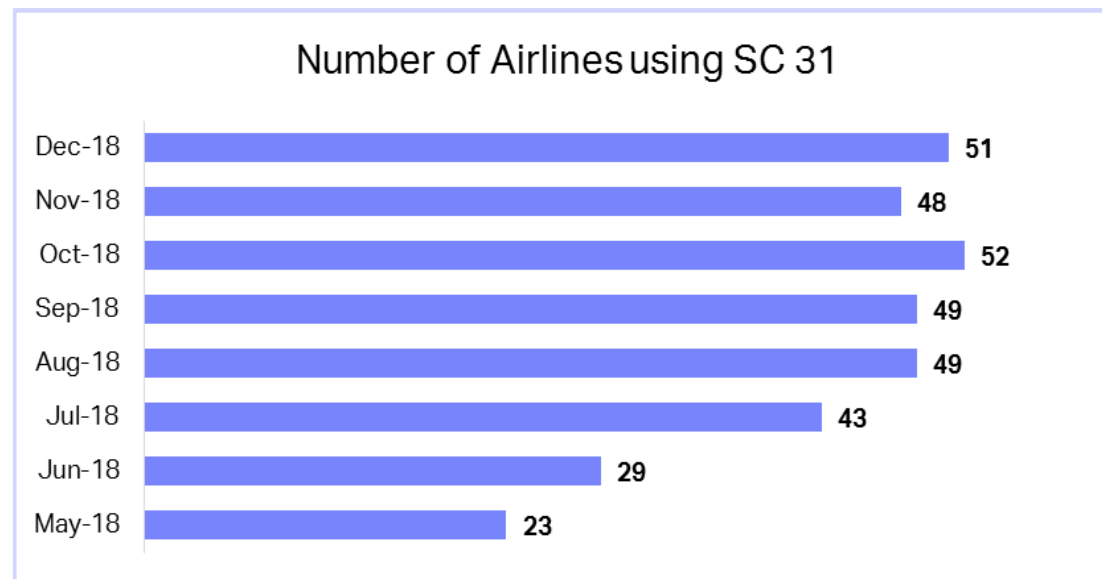
RULES AND VALIDATIONS

- **Papers for new validations in SIS and changes in the RAM were accepted**

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SC 31 - Involuntary Reroute Lifted Passenger Coupons

New Source Code introduced in May 2018

Number of Airlines using SC 31

Dec-18	51
Nov-18	48
Oct-18	52
Sep-18	49
Aug-18	49
Jul-18	43
Jun-18	29
May-18	23

Examples of papers that passed

The following papers with the voting outcome were presented at the 2018 SIS General Meeting and IBSOPS sessions:

- YQ/YR Validation in SIS

- Monthly PAX report from SIS

- Correspondence aging report

- Reason code 5Z – Breakdown coupon is mandatory

- Addition of 7 new reason codes

- Hard validation of duplicate billings

The papers that passed will be implemented in 2019

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Best Practices

With the input from the IBSOPS WG members and the Rejection Reduction Advisory Group, a Best Practices document was created in 2018.

Objectives of the Interline Best Practices Document:

- What to know as a new airline moving into interlining.

- Monitoring incoming and outgoing billings / Quality Control

- Ensure timely and accurate updates of system's master tables (SPA / Tax / PMP etc.)

- Checklist when changing Revenue Accounting Systems / Proration Engines / etc.

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What have we accomplished so far?

Nearly 21% reduction in the industry Rejection Rate

New SIS enhancements

Best Practices Document

Stronger RAM rules

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Homework

Cost

What is the cost of having bad quality billings?

How much does a rejection really cost?

Do you know your cost?

What can you do?

Get involved!

Set internal Targets

Monitor your Rejection Rate

Calculate your Cost per Rejection

Nominate a Champion and get in touch with us

Share with us your Best Practices and success stories

Contact your partners when you notice something is incorrect

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Thank you for joining us…

Keep updated with this initiative and its resources on our website.

The IATA Rejection Reduction team remains available to support you throughout this initiative!

We can be contacted at: RejectionReduction@iata.org

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