



4<sup>th</sup> Annual Conference on Electronic Invoicing  
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# IATA XML Standards

for electronic exchange of business messages

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**ExxonMobil**



# Agenda

- Standards for the Air Transport industry
  - Vision
  - Specificities of the IATA standards
  - Existing standards
  - Governance of standards
  
- Use of the standards between airlines and fuel suppliers
  - Fuel is a major cost center
  - How the IATA standards supports the order to cash process
  - Exxon's business case



# Agenda

## ➤ Standards for the Air Transport industry

- Vision
- Specificities of the IATA standards
- Existing standards
- Governance of standards

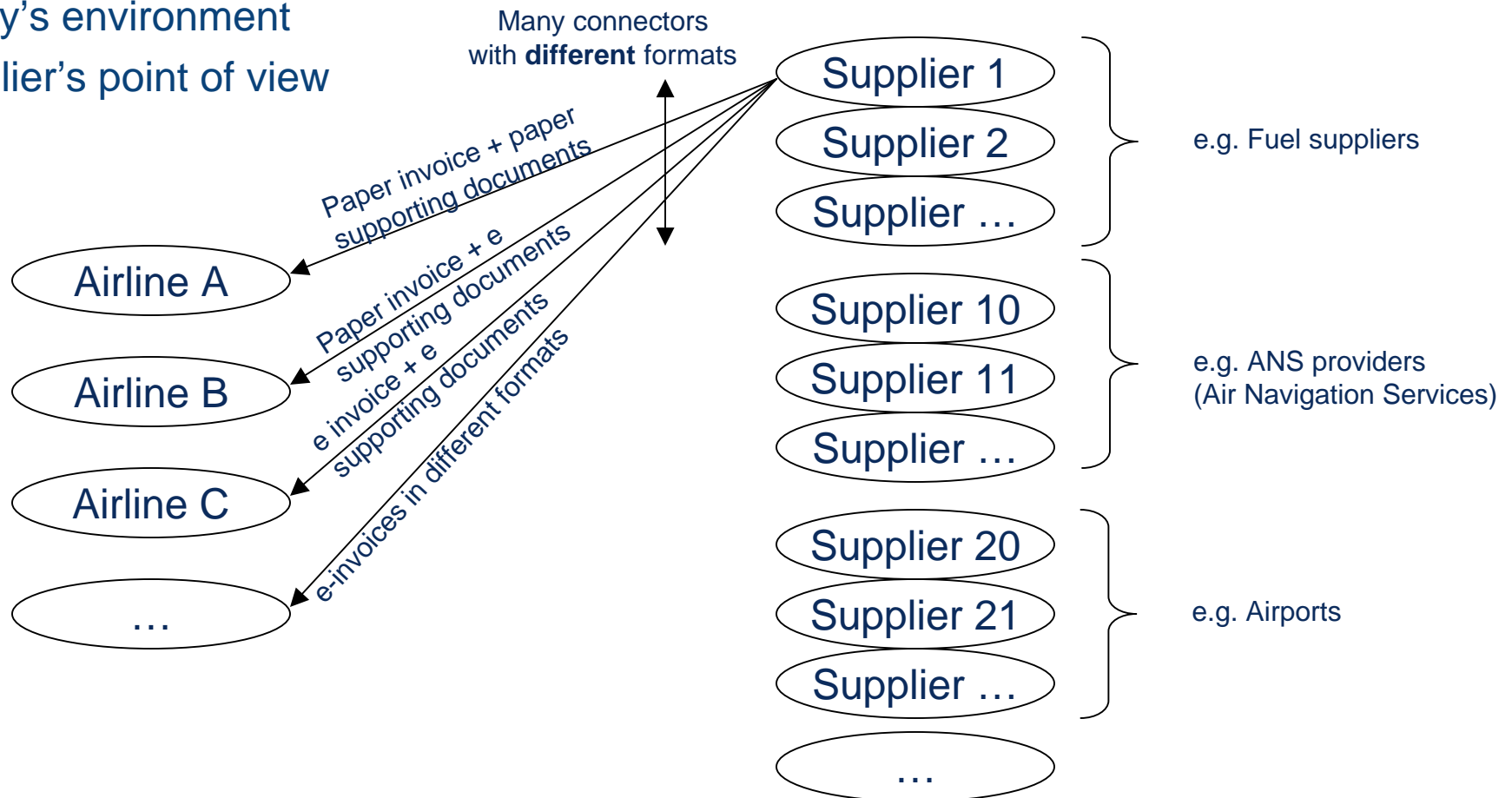
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- Fuel is a major cost center
- How the IATA standards supports the order to cash process
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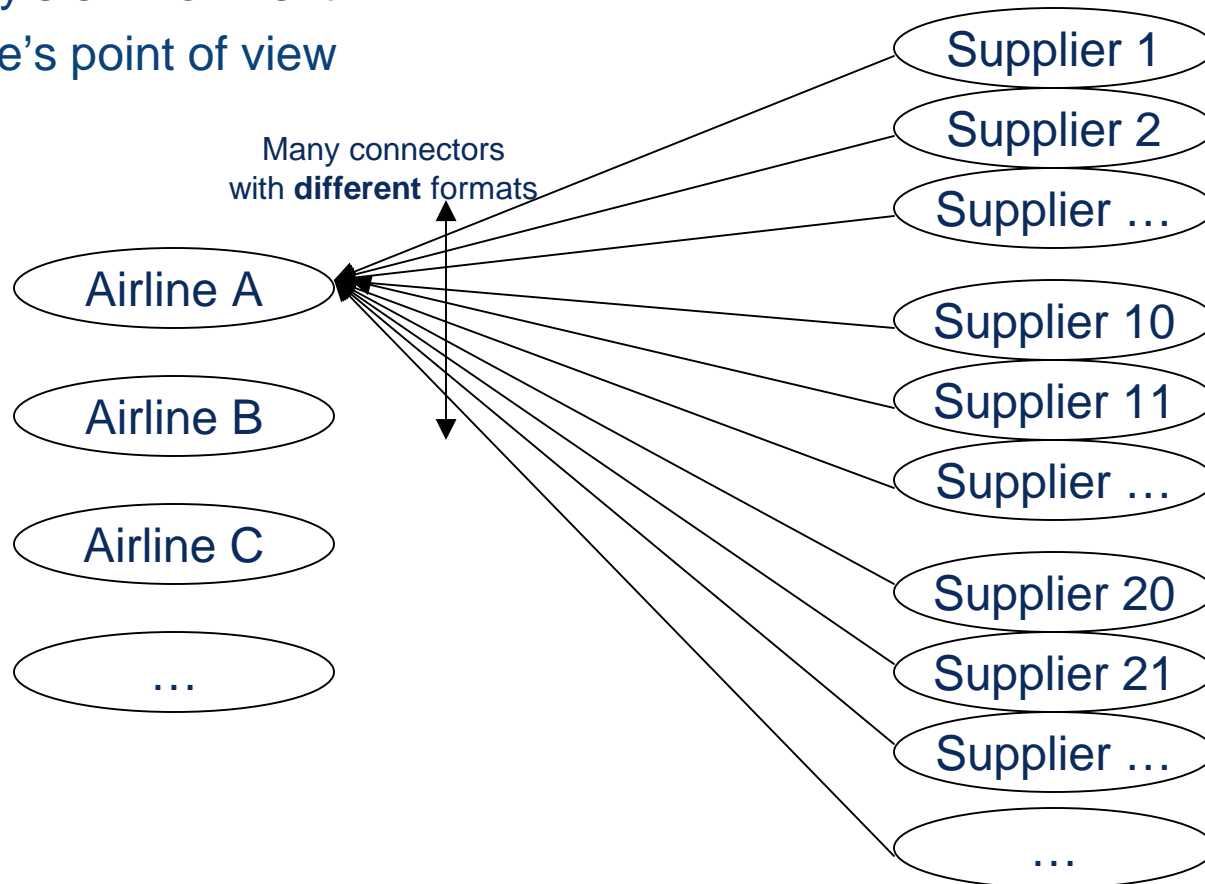
# Why does IATA develop standards?

Today's environment  
Supplier's point of view



# Why does IATA develop standards?

Today's environment  
Airline's point of view

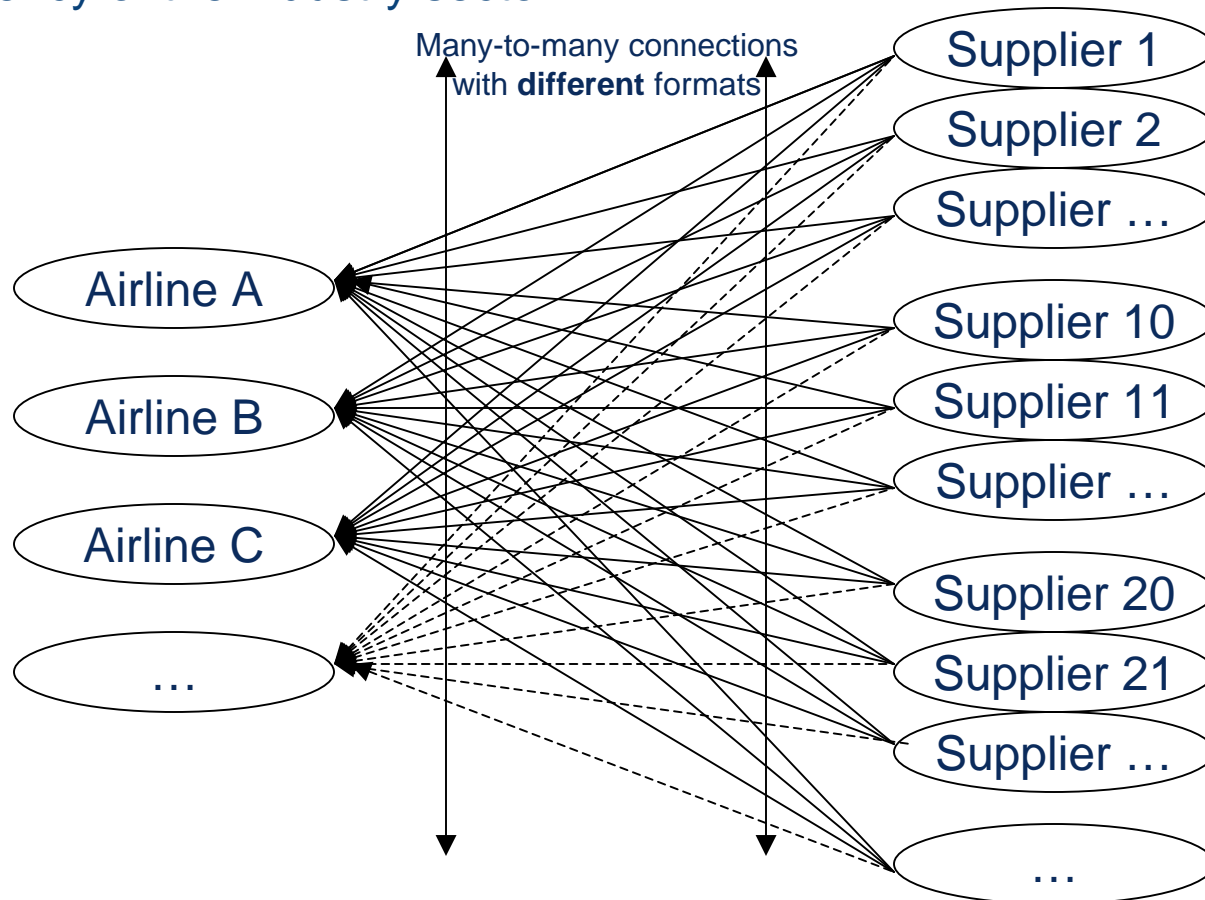


Processing supporting documents to re-conciliate the content of the invoice is even more difficult than the invoice itself!



# Why does IATA develop standards?

Efficiency of the industry sector:

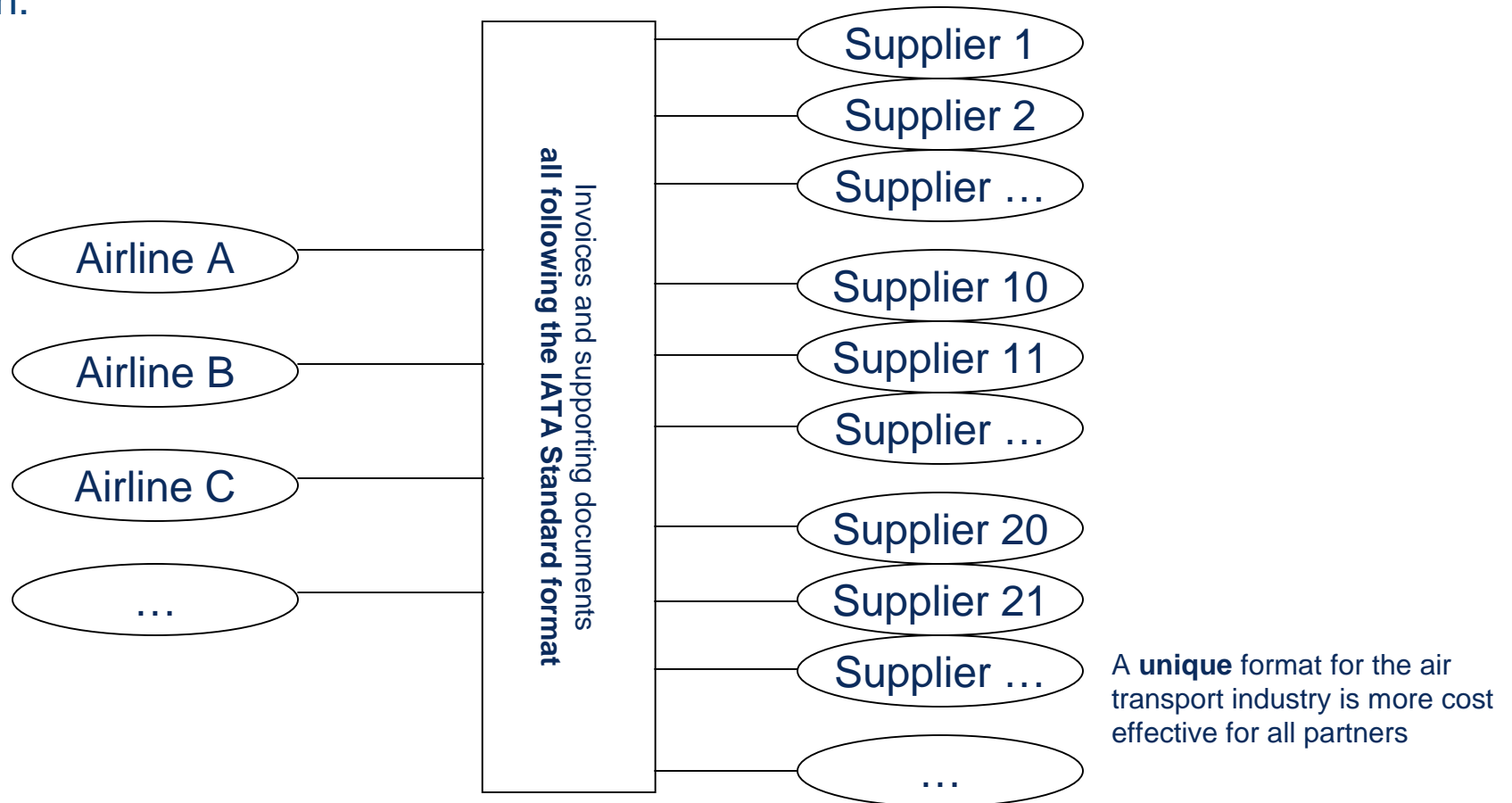


The large number of formats is costly and inefficient when considered at a macro level



# Why does IATA develop standards?

Vision:

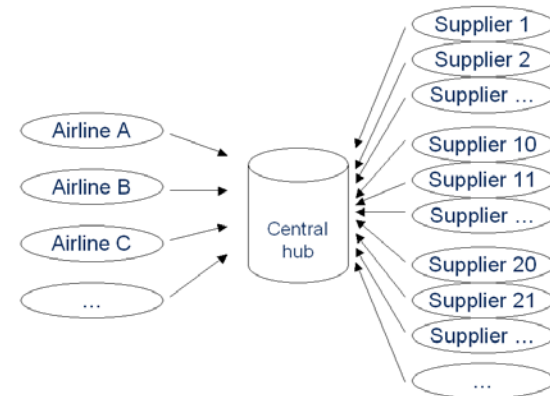
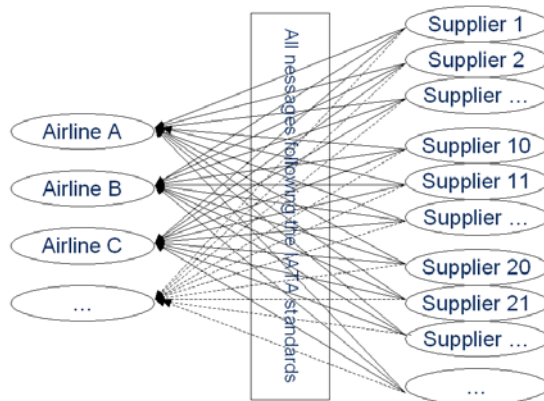


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# The specificities of IATA standards

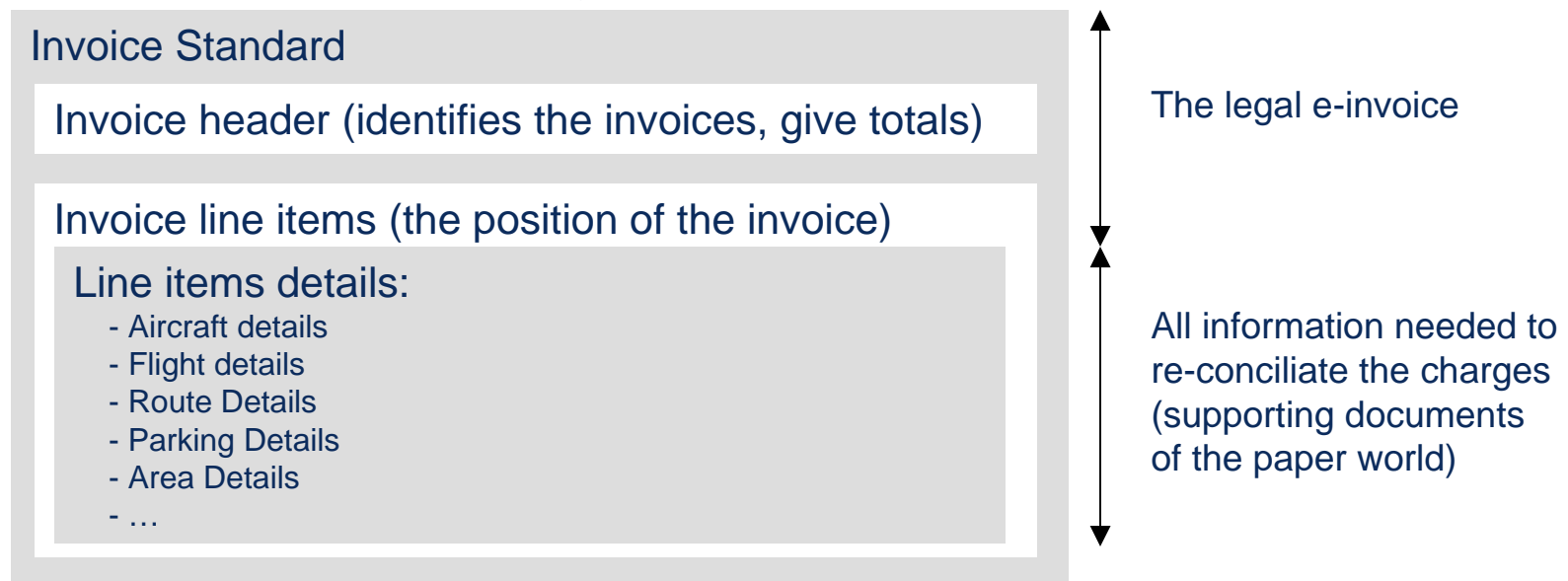
- The standards are about the **content** of the data exchanged, they do **not** specify **how** the data are exchanged:
  - Bilateral EDI agreements:
  - Hub (with services):



- XML based
- Common use of data elements supported by the use of directories and of ISO/IATA/ICAO standards

# The specificities of IATA standards

- The standards supports all data needed for the receiver to understand how the charge has been computed:



- The standards are not limited to invoices

## Existing standards

### ➤ A standard for airports and ANS providers to invoice airlines:

- In use by BAA, DAA, Fraport
- Being examined by other airports and ANS

### ➤ A standard for fuel suppliers to invoice airlines:

- In production or implementation on going by ExxonMobil Aviation, Shell Aviation, Statoil Aviation, Air BP, Air Total, Chevron Global Aviation...
- Supported by providers of fuel management systems: FuelPlus, solarc, Airpas
- 3. Release of the standard, each new release coming along with new features



## Existing standards

- A standard for into-plane agents to inform airlines and fuel suppliers of fuel deliveries
  - Records all delivery details
  - Preliminary to invoice, allows to speed up processing of invoices by reducing disputes
  - 3. Release of the standard, each new release coming along with new features



# Current and future developments

## 2 directions for the development:

- Extension of the types of supplier supported
  - Soon: ground handling
  - Results in extension of current standards
  
- Extension of the types of message supported:
  - Complete the support of the forecast-to-cash cycle:
    - Existing standards covers delivery-to-cash cycle
    - Next extension is “pre-fuel” standard to cover forecast-to-delivery cycle
    - Results in standards for additional business messages
  - Secondary business messages:
    - A secondary business message supports a main transaction (invoice, delivery, good receipt)
    - For instance, an Invoice Processing Notification enables the receiver of an invoice informing the biller about the processing of the invoice (approved, paid, dispute with details on what is disputed)
    - Secondary messages allow integrating processes of biller and payer



# Governance of standards

- Development coordinated by IATA
- For each type of suppliers: A taskforce consisting of business experts from supplier and airline sides. Current taskforces:
  - Fuel
  - ANS
  - Airport
- Participation is free of costs (enough time must be allocated for participation to conference calls, to annual meeting, and for review of the documents)
- Motivations for the participants:
  - Motivate the business partners to use unified standard
  - Can influence the conception of the standard to meet specific legal and business requirements
  - Be the first to benefit from the advantages of implementing the standards



# Agenda

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## ➤ Use of the standards between airlines and fuel suppliers

- Fuel is a major cost center
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## Fuel is a major cost center

- Fuel is the largest single cost item for the global airline industry (2006)
- Cost of jet fuel is around 27-28% of total costs of a flight
- Total fuel bill for the industry:
  - 2006: 116 Billion USD
  - 2007 (projected): 132 Billion USD
- Number of fuel deliveries per year (2005): 35 millions



# Order To Cash Process



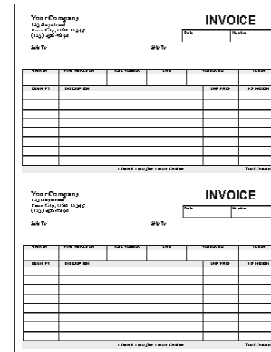
## *Flight Planning*

- *summer/winter schedule*
- *regular updates*
- *short term planning (month/week)*
- *operation ( from 2 days ahead of flight until take-off)*



## *Delivery*

- *of products and services to the aircraft*
  - *Ground handling*
  - *Fuel*
  - *Catering*
  - *Cleaning*
  - *Etc*
- *provide delivery data*



## *Invoicing*

- *generate invoice*
- *Transmit invoice*
- *Check invoice*
- *Handle invoice disputes*

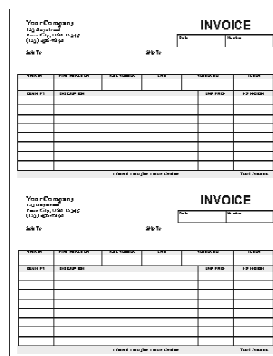


## *Payment*

- *Initiate payment*
- *Payment advise*
- *Manage receivable*



# Order To Cash Process – Data Management



Populate data objects as early in the process as possible and amend further information throughout the process

## *Flight Planning*

- *Flight ops details*
  - *flight number*
  - *aircraft type & registration*
  - *destination*
- *fuel demand, catering needs etc.*

## *Delivery*

- take*
- *flight ops details and amend with*
  - *Delivery details*
    - *Start/stop time*
    - *Product*
    - *Quantity etc*

## *Invoicing*

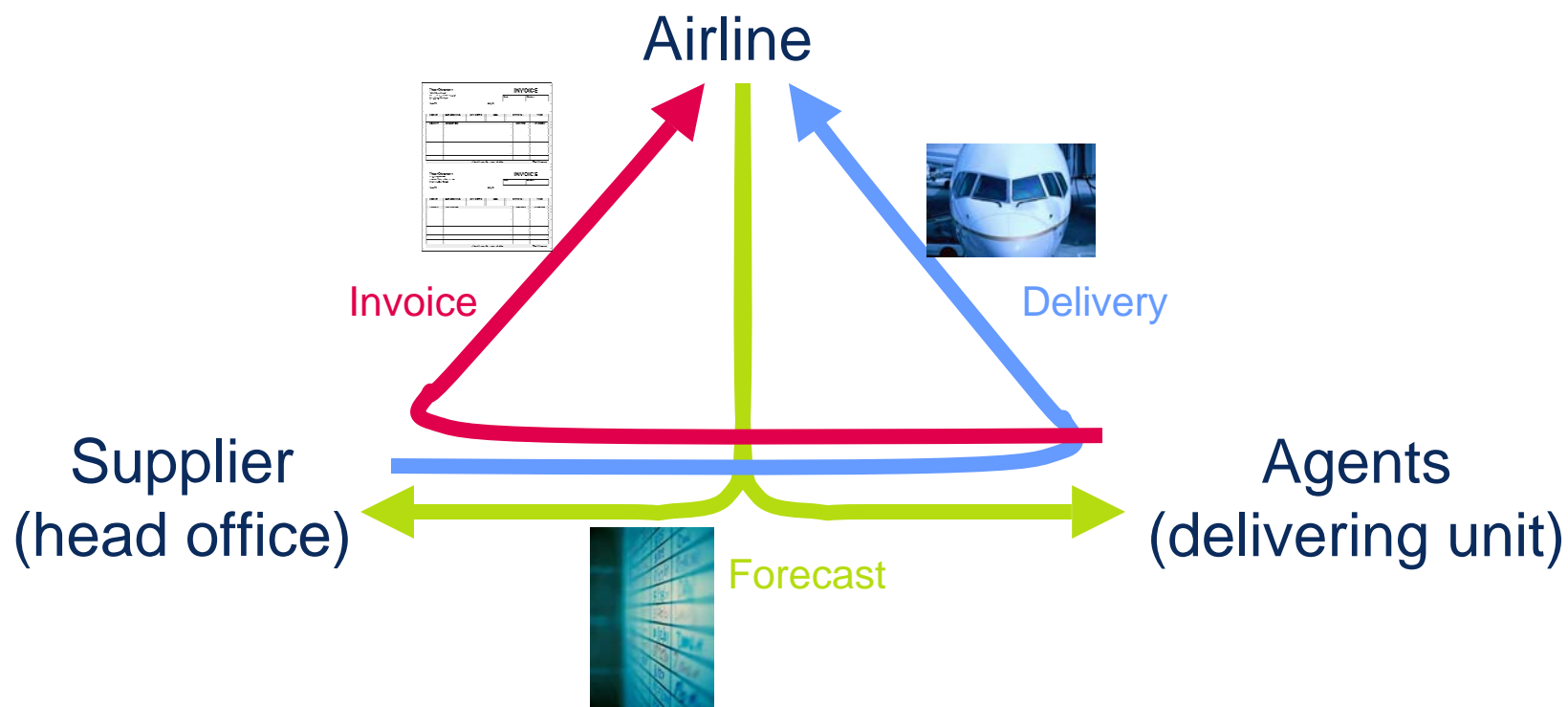
- take*
- *Flight ops details*
  - *Delivery details and amend with*
  - *Invoice details*
    - *Pricing*
    - *Payment terms etc*

## *Payment*

- Take*
- *Invoice details*
  - And amend with*
  - *Payment details*



# Order To Cash Process – Players



# Supporting XML Standards (Fuel)



## Flight Planning

*XML Pre-Flight Standard*

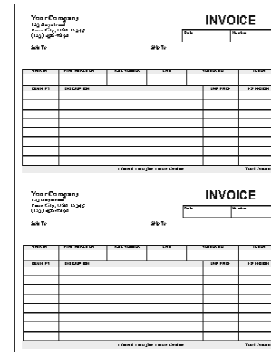
- *Draft requirements defined*



## Delivery

*XML Fuel Transaction*

- *2nd standard to be published*
- *new version 3.0.0 available*



## Invoicing

*XML Fuel Invoice*

- *1st standard to be published*
- *new version 3.0.0 available*

*XML Acknowledgement*

- *to handle query process*
- *draft requirements defined*
- *next standard to be published*



## Payment

*XML Acknowledgement*



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# ExxonMobil Aviation's business case

## ➤ Invoice

- More and more customers are looking to rationalize their back office and request electronic invoice data feeds
- Pre XML
  - EDIFact implementation cost approx. 50K\$ per customer
  - Customised interface file cost approx. 20K\$ per customer
  - Typically adjustments had to be made to these interfaces every 18 month, requiring extra investment
- Post XML (15 month after go-live)
  - One time development cost, one time maintenance for new upgrades
  - 10 customer live on XML Invoicing with another 10 in test or strongly interested
  - No extra development for additional customers, XML Invoices can be provided in 2-3 days

## ➤ Transaction

- EMA supports approx. 30 different interfaces layouts for airport delivery ticket data
- Changes in airport JVs, new airport data capture systems etc. result in 5-8 changes to airport interfaces per year
- Business Risk associated with these changes is significant and often underestimated => correct delivery data is key to correct and timely invoicing
- Using a standard across all airport data capture systems will significantly reduce the risk and free-up resources for other invoice improvements
- EMA has implemented XML Transaction Standard into our AvR2000 system and started the roll-out across the AvR2000 sites we manage (approx. 120 airports)





Thank you! Any questions?

# IATA XML Standards

for electronic exchange of business messages

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