



**NDC**

**Getting Ready  
for a New Era of Airline Retailing**

**A Mini-Guide for "Travel Management Companies"**

**Business Travel: Version 1.2**  
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Written & produced by  
Festive Road



# Table of Contents

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- Introduction.....3**
  - What does “NDC Ready” mean?.....3
  - What change are we talking about here?.....3
  - Why should Travel Management Companies care about being NDC Ready? .....3
- Getting NDC Ready ..... 5
- The Opportunity Is Already Here ..... 6
- Find Out More ..... 7

# Introduction

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In 2015 IATA, supported by consultancy Festive Road, produced the first NDC Change Readiness Guide for the corporate travel manager, travel management company (TMC) and corporate self-booking tool (SBT). This guide was intended to introduce the business travel community to IATA's New Distribution Capability (NDC) and a new era of airline retailing. After some positive feedback and continued & evolving dialogue IATA proudly presents this version 1.2 mini-guide for each of the travel manager and TMC value chain components.

## What does “NDC Ready” mean?

“NDC Ready” means ensuring that you are able to provide additional support to your corporate travel accounts across their travel program, policies and supply chain to ensure that they are able to deal with and potentially take advantage of the change to airline retailing which NDC will introduce.

## What change are we talking about here?

At its base level the New Distribution Capability (NDC) standard will facilitate the introduction of ancillary services to managed channels which travel managers prefer, as well as the providers in this channel who they partner with

of course. This means the extra bag, lounge access or seat reservations which have been purchased outside of managed channels will start to appear through the indirect supply chain. Travel management companies will be able to capture content, spend and data to ensure that their clients have a true perspective on what travelers want and what the company authorizes. At a higher level, NDC will facilitate much richer content and personalization, allowing the ability to apply a more dynamic service at an individual or group level.

## Why should Travel Management Companies care about being NDC Ready?

Providing the right content, in a comparable and controlled way to meet the client need is critical to win and then retain business for the TMC. In the clients' eyes it's not enough to just deliver the content, it needs to be comparable and then overlaid with policy to control the level of choice. These three C's, Content, Customer and Control, are essential for the TMC to consider for future prosperity, and they are joined by an additional “C” to consider: Commercials. Each of these “C's” presents increasing challenges for the TMC of today.

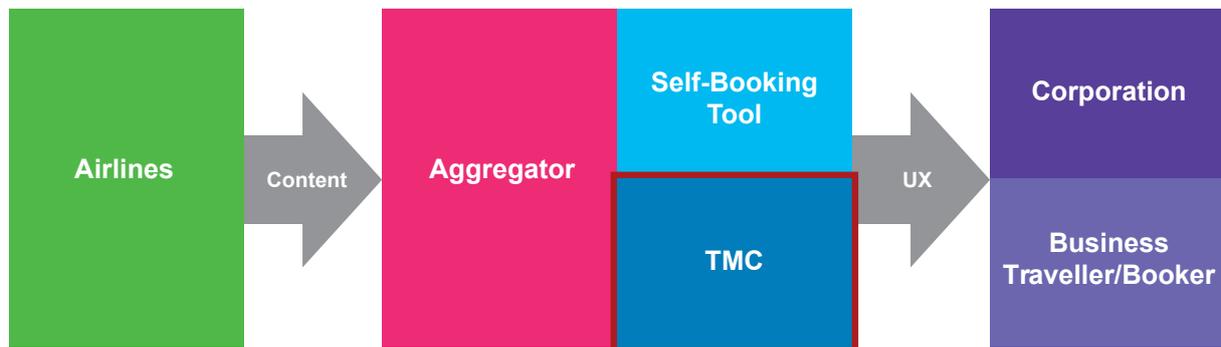


Figure 1: The airline indirect value chain

Rich content and personalization is being adopted by the airlines and there is an increasing momentum to use NDC as the standard to achieve that in the indirect channel (i.e. via aggregators, travel management companies, corporate booking tools etc.) to corporate travelers. IATA fully expects the application of NDC to enter mainstream airline distribution within the next 24 months with over 75% of the major airlines having stated their intent to adopt it. Whilst this may initially take relatively simplified forms as ancillary services are added, the move to more dynamic airline retailing will surely come quickly. This

will bring with it additional content and technology which means that TMCs should be thinking now about the potential impact and the opportunities to better service their clients - both travel managers and their travelers, but also of course the airlines. The TMC needs to consider the potential systems, processes and commercials to be able to facilitate NDC enabled content so that their clients benefit and their businesses thrive through the provision of great content, in a comparable format, overlaid by the right controls in a commercially viable way.

## Getting NDC Ready

Follow our 15-point check-list across 5 simple steps

<p><b>Step 1 :</b> Understand the impact &amp; opportunity</p>	<p><b>Ask yourself;</b></p> <p>1. Do I know what NDC is and what it will enable?      2. Do I know how it will affect my client base? Consider business types, regional variances and which of your primary airline partners will introduce NDC first.      3. How will it affect my business - workflows, commercial models &amp; human resources.</p>		
<p><b>Step 2 :</b> Assess your supply chain partners</p>	<p><b>Ensure you;</b></p> <p>4. Know what your key airline partner retailing strategies are      5. Know how ready your existing technology aggregators are to consume &amp; present NDC content      6. Consider any supplementary or new entrant IT partner</p> <p>7. Ensure your SBT partner is aligned</p>		
<p><b>Step 3 :</b> Define the project elements</p>	<p><b>Think about;</b></p> <p>8. How the following needs to evolve to cater for NDC:  <ul style="list-style-type: none"> <li>▪ Travel Policy Application</li> <li>▪ Data systems &amp; data use</li> <li>▪ CRM capabilities</li> <li>▪ Payment solutions</li> <li>▪ Desktop UI Mid &amp; back office</li> </ul> </p> <p>9. Create a Business Case with clear ROI</p>		
<p><b>Step 4 :</b> Engage stakeholders &amp; develop a plan</p>	<p><b>Plan well;</b></p> <p>10. Build a team to develop a plan      11. Bring them together with key suppliers and client buyers at relevant times to draft a forward path and pilots      12. Communicate your plans with your partners and clients</p>		
<p><b>Step 5 :</b> Execute the plan and review</p>	<p><b>Implement;</b></p> <p>13. Implement pilots      14. Review progress with airlines, clients and technology partners      15. Maintain contact with industry peers through association work groups and NDC experts</p>		

The Fifteen Point NDC ReadyCheck-List

<p>✓</p>	<p>1.1 <input type="checkbox"/>    1.2 <input type="checkbox"/>    1.3 <input type="checkbox"/></p>	<p>2.4 <input type="checkbox"/>    2.5 <input type="checkbox"/>    2.6 <input type="checkbox"/>    2.7 <input type="checkbox"/></p>	<p>3.8 <input type="checkbox"/>    3.9 <input type="checkbox"/></p>	<p>4.10 <input type="checkbox"/>    4.11 <input type="checkbox"/>    4.12 <input type="checkbox"/></p>	<p>5.13 <input type="checkbox"/>    5.14 <input type="checkbox"/>    5.15 <input type="checkbox"/></p>
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## The Opportunity Is Already Here

Through IATA's engagement work with TMCs to date, we know that you are challenged by the complexity of airline distribution and that you wish for the opportunity to better provide content and comparability to your customers. In addition, we know that there is also an appetite for improving any processes which add time and cost into your operation, such as ADMs for example.

The mainstream introduction of NDC could help travel management companies to improve the offering to the customer, to upsell additional services which are of value to both the traveler and the corporation and create business process improvements. Whilst we

don't yet truly know what it will take to become NDC Ready, because airlines and aggregators are each incorporating NDC into their future strategies independently, this document is designed to provide you with a starting point for that process to ensure that TMCs can help shape the future.

Some TMCs are already engaged in NDC and their work with either Global Distribution Systems or other aggregators is already under development. The TMC of the future has the opportunity to create a vastly enhanced customer experience of the future, where consistent and comparable content can be consumed through the traveller's policy controlled channel of choice.

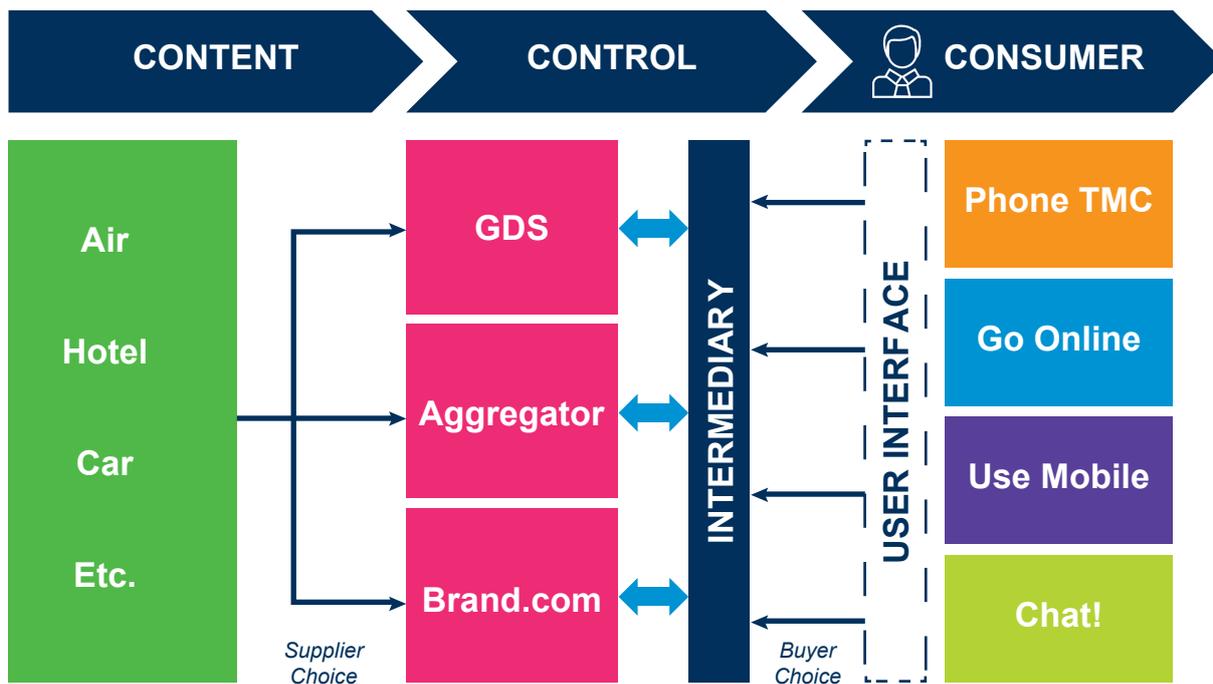


Figure 2: The Customer Experience of the Future. Source ©Festive Road International Limited

“The technology to provide a vast array of additional content to the TMC desktop is here. Workflows and processes can be enhanced and the traveler offered more than they ever could. The introduction of the NDC standard ensures that we can all do this more efficiently if we can work out the right rewards for doing so across the whole value chain”.

David Bishop  
 Global Business Development Director  
 Atriiis Technologies Ltd

## Find Out More

To find out more about NDC and its part in the future of airline retailing via the business travel sector take a look at the NDC Business Travel Microsite.

Visit <http://ndcbiztravel.iata.org/>

Check out a more detailed “Version 1” of the NDC Change Readiness Guide on this site.



