



**5<sup>th</sup>**

# World Financial Symposium

**17 – 20 September 2018**

**Madrid Marriott Auditorium Hotel & Conference Center**





# 7<sup>th</sup> SIS General Meeting

18<sup>th</sup> September 2018

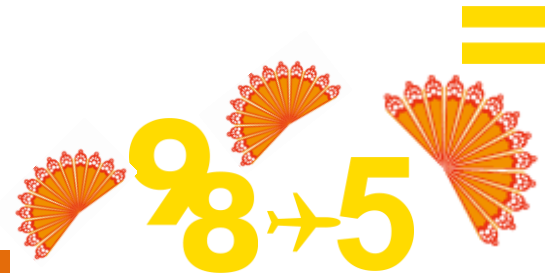
Madrid Marriott Auditorium Hotel & Conference Center





# Breakout Session #4

## SIS e-invoicing suppliers and airlines benefits





# Break out session



Share of knowledge

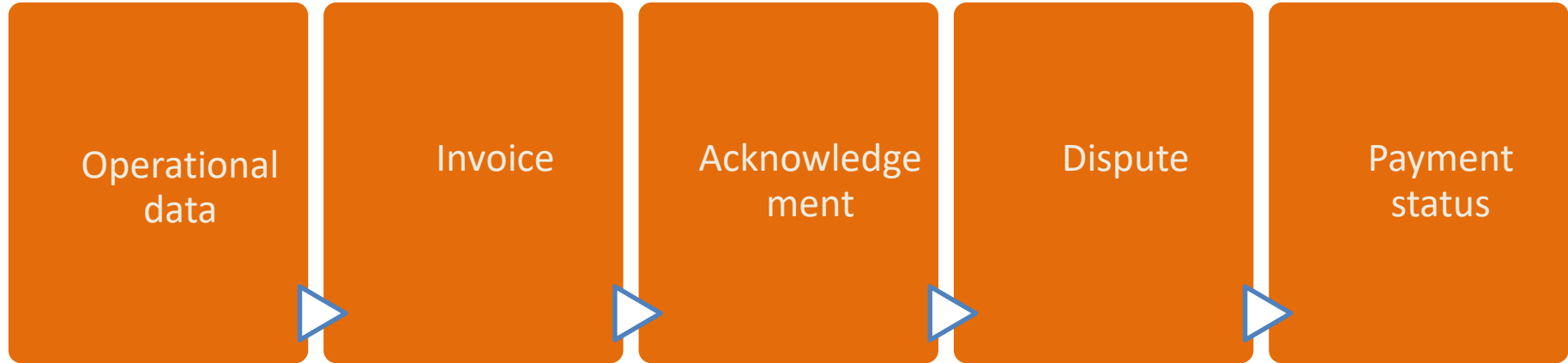


Interactive so don't hesitate asking questions





# e-Invoicing part of a global financial process





# Agenda



Suppliers presentations:

Heathrow

daa 



GRUPE  
EUROPE  
HANDLING





# Agenda



Airlines presentations





# Heathrow SIS Migration – SIS Industry Meeting 2018

Update on Presentation to SAI Meeting, Geneva, 2017

18 September 2017  
Jen Wilkie & Mike Gormally

**Heathrow**  
Making every journey better



# Background

- **Supporter & beneficiary of IATA e-Invoicing since 2004**
- **Now, with SIS, in its third generation of the service**
- **Suppliers using SIS to bill airlines makes good sense; SAI provided a focus to accelerate take-up**
  - **Makes greater use of a system already used for Interline Settlement**
  - **Gets more suppliers using a common process**
  - **Infrastructure is reliable and very well supported**
  - **Service and processes fully documented and publicised in SIS website**
  - **Many more airlines can now automate (with integration of Reconciliation & AP systems)**
- **SIS offers 'real electronic invoicing' with a universal invoice style and potential for automation world-wide**
- **Everyone benefits from use of the shared infrastructure – capital cost avoided & running costs shared**

# Current Status


- **SIS at Heathrow is, by design, at the core of our billing to airlines, fully embedded and completely reliable – no issues to report**
- **New systems were developed with SIS in mind from the outset**
- **Billing by value is 81% SIS, 17% email and now only 2% paper**
- **Airline accounts : 47 on SIS, 37 email, only 2 now getting paper**
  - **Fourteen airlines fully automated – processing the IS-XML File (compared with five pre-SIS)**  
**- Cash Flow/Days Sales Outstanding improved due to this**
  - **Heathrow does not mandate its customers to use SIS but works collaboratively with local offices to migrate when they are ready**
- **Fewer disputes due to better quality billing inherent with SIS data validation**












## SIS is 'real' electronic invoicing'

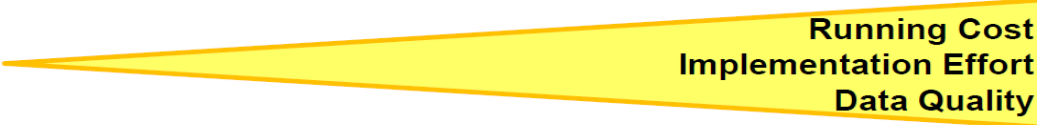
- ....more than 'electronic delivery'
- transmission and consumption of a data file....with no printing, scanning nor manual processing
- .....its also better quality invoicing
- Use of IS-XML demands & promotes best quality
- Content all checked/validated including input from the billing engine - so invoices to customers are better quality leading to fewer disputes
- Heathrow quality in SIS praised by key customers
  - Aero charging disputes are now lowest ever – almost none!
  - Greater confidence that there is no 'under-billing'
- Heathrow has been using IATA e-Invoicing systems since 2004
- Benefits of speed and savings in postage, copy invoices etc (not always mentioned by us as we have being benefitting from them for years!)

# E-Invoicing with IS-XML via SIS.....ticks all the boxes!

## E-Invoicing – Multiple Channel Strategy



	Scanning 	PDF 	Structured Data 	IS-XML 
Automated Receipt				
Automated Coding		<u>Limitations:</u> - Supplier number only	<u>Limitations:</u> - Full header data, but no line item data	
Automated Approval	<u>Limitations:</u> - Manual data quality - Level of detail	<u>Limitations:</u> - Manual data quality - Level of detail	<u>Limitations:</u> - Supplier data standardization - Level of detail	



Running Cost -  
Implementation Effort -  
Data Quality +

# Electronic invoicing - more than just delivering the invoice



Source: Cloudtradenetwork.com

## Best Practice

- Best practice is to process the electronic file in IS-XML format automatically ie not printing it out and posting it separately
- Strongly recommend this as best approach & process
- Enables automation & best quality business process for both airline & airport
- Same format for all encourages standardisation and 'trusted' source data
- Fastest processing (and lowest cost in the long term);
- Airport is notified immediately of any issues with any invoicing run

## Setting Up & Getting Started

- **Requires small IT project for file processing**
  - This is often the biggest inhibitor to progress as funding may not be available
- **System settings are all configurable**
- 'Location ID' for each airport - member profile, trading name, VAT - unique identifier
- 'Daily Bilateral' setting - ensures invoices available immediately
- Platform offers full transparency to airline local & head offices and to the airport – no lost invoices
- **An airport can assist by offering test files of real data**
- Can also offer parallel running for a period, if needed
- **Heathrow was helped greatly by local IATA office in London**
  - **'Drop in' sessions held at IATA Office**
    - SIS was presented and explained jointly by IATA & Heathrow
    - Airlines were encouraged and motivated by this 'joined-up' style

## First Steps

- Delivery of pdf invoices through SIS can be initiated whilst XML output is being developed
- Can also be used for non-airlines eg handlers or retailers at airport
- Supports a phased migration to full automation and gains experience
- No effort or cost – system settings only
- Activated in days
- Airlines can start with any SIS-enabled airport – same format from all
- Airports can start with any airlines already using SIS – same format!



## Lessons from experience

- Good communication with airline local offices
  - Most are not SIS-enabled
  - Without automation may suffer small increases in workload
    - Portray as 'step towards automation'
- 100% coverage takes time
  - Airlines & airports & in various stages of readiness
  - Activity prompts readiness – 'first step' (deliver via SIS)
    - creates momentum & emphasizes the value of automation
- Why should more airlines and airports adopt SIS?
  - The real question is – why would you not adopt????
    - .....the industry platform, already in use, proven and reliable; and
    - .....forego tangible benefits of more on-time payments, faster process, fewer queries and lost invoices, savings in mail handling, paper, postage; and
    - ....new features constantly being added eg payment status

Thank You





## Dublin Airport – Airport SIS experience

Kieran Kirby

IATA World Financial Symposium  
Madrid, 17<sup>th</sup> to 19<sup>th</sup> September 2018

# What does good look like?





# Why do it?

- Most airlines already use SIS for interline agreements between airlines
  - ***Why not between airports and airlines?***
- Better to have one format rather than develop and support multiple EDI's to airlines
- Once the initial IT project has been completed easy to on-board further airlines
- It facilitates payment terms compliance, particularly for fuel and airport charge invoices
- DSO improvement in airline payments

- If the airline is already a SIS member there are no extra costs!
- Provides a legal summary invoice (backup is included in the detailed IS-XML)
- It achieves legal archiving
- Guarantees getting the invoice to the right person
- It's much easier and faster to retrieve the invoice from the archive
- Reduces storage costs
- Reduces lost invoices
- Invoices can be received from airports, handlers, fuellers, navigation and airlines

# Why do it...more reasons?

- It's more than an electronic invoice – it is the transmission of data
- It drives quality and accuracy of information being received by the airline
- It enables automatic invoice matching
- It can quickly detect inaccuracies
- It assists speed and accuracy of financial statements
- It supports accrual accuracy

- Addresses airline issues around manual processing, reconciliations and accruals
- SIS facilitates efficiency
- It frees up staff to perform value add activity
- It facilitates profit analysis and improves effective decision making
- It enables new route modelling

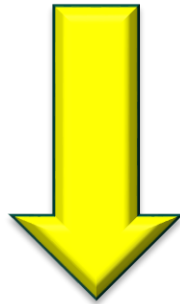
# Was it worth the effort?

- It takes time!
- It takes money!
- Effort is required to map the IATA charge categories, codes and code types
- It involves a little risk – the airline / airport setups may not be aligned
- It requires testing
- And more testing



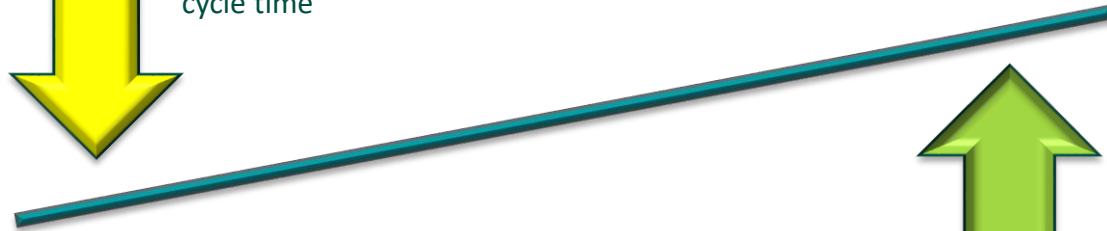


# So...why did Dublin airport do it?



## Reductions in:

cost, rework, mistakes and errors, improvement in lead time / cycle time



## Increases in:

profitability, productivity, quality, customer satisfaction, capacity, responsiveness, visibility into operations, development of personnel, employee satisfaction, innovation and creativity

**Thank you**

***Any questions?***

**YOUR GROUND HANDLING SOLUTIONS**

# **GROUPE EUROPE HANDLING PRESENTATION**



**GROUPE  
EUROPE  
HANDLING**



**GROUPE  
EUROPE  
HANDLING**



- ✈ **KEY FIGURES**
- ✈ **COMPANY**
- ✈ **OUR VALUES**
- ✈ **SIS PROJECT**

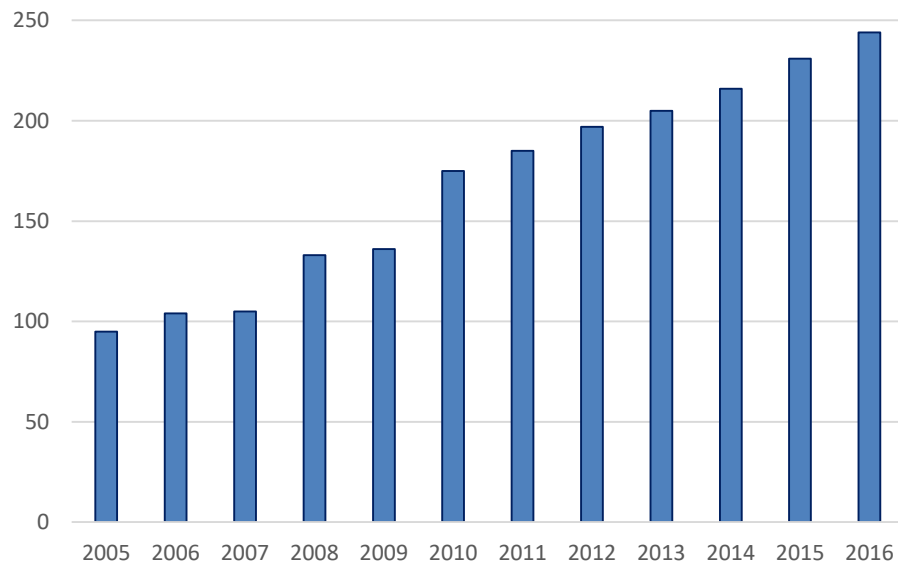


**GROUPE  
EUROPE  
HANDLING**



## KEY FIGURES

Turnover € Million



## GROUPE EUROPE HANDLING

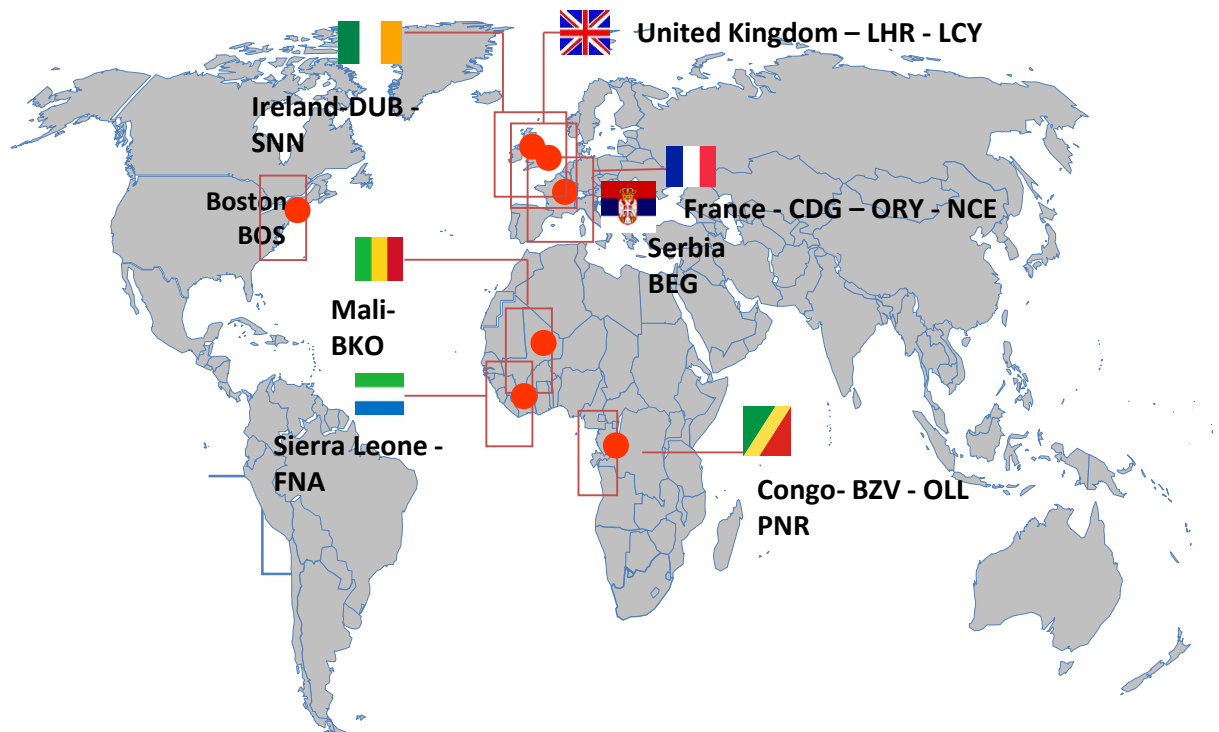
- 24 years of know how
- 130 customers (around 70 in Paris)
- 300 000 turnaround handled yearly
- 17 000 000 passengers
- 22 stations in 8 countries (France, Congo, Ireland, UK, Sierra Leone, Mali, Serbia, USA)
- 3375 employees



**GROUPE  
EUROPE  
HANDLING**



## STATIONS





**GROUPE  
EUROPE  
HANDLING**



## OUR SUBSIDIARIES



- Groupe Europe Handling and subsidiaries
- Sky Partner
- Sky Handling Partner UK
- Congo Handling
- A.S.A.M. (Franchise)
- Sky Handling Partner Sierra Leone
- Sky Handling Partner Boston
- Cobalt Ground Solutions



**GROUPE  
EUROPE  
HANDLING**



## ✈ SOME OF OUR CUSTOMERS

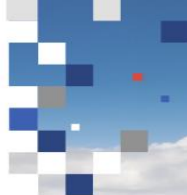




**GROUPE  
EUROPE  
HANDLING**



الطيران العماني  
**OMAN AIR**



**AIR CARAÏBES**



CROATIA AIRLINES



CATHAY PACIFIC

**Eurowings**

BRITISH AIRWAYS



**Lufthansa**



**IBERIA**



**AIRFRANCE**



norwegian



**Emirates**

**easyJet.com**

Austrian



**Alitalia**



swiss

Swiss  
International  
Air Lines



**TAP**

TAP PORTUGAL

**HOP!**



**AIR MALTA**

**vueling**



**GROUPE  
EUROPE  
HANDLING**



- ✈ **QUALITY**
- ✈ **INTEGRITY**
- ✈ **RESPECT**



**GROUPE  
EUROPE  
HANDLING**



## **PROJECT PHASE**

- Duration of the IT project : 1 month
- Migration Date : February 2018
- Percentage of customer transaction using SIS: 95%
- Support from SIS operation team



**GROUPE  
EUROPE  
HANDLING**



## **CHALLENGES**

### **Airlines Challenge**

- Communication local airline office not always aware of the head office project
- Location ID set up

### **GEH Challenges**

- Master data clean up (Aircraft type code...)
- Some on time payment issue due to airline not ready



**GROUPE  
EUROPE  
HANDLING**



## **BENEFITS**

Fast delivery of invoices

Traceability

Airlines specific process handle by SIS



**GROUPE  
EUROPE  
HANDLING**



## **NEXT**

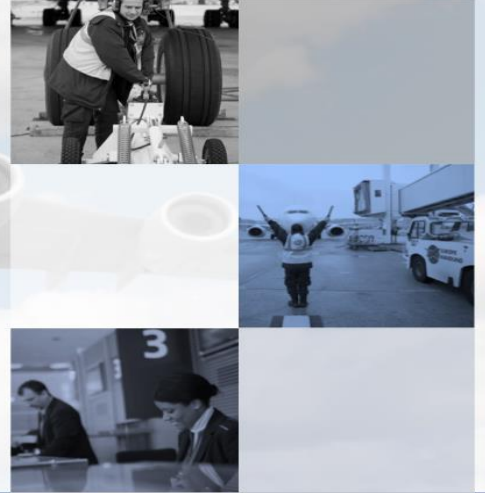
Expansion to more countries

Usage of ICH when possible

**YOUR GROUND HANDLING SOLUTIONS**

**Questions!**

**Thank you for your  
interest**



**GROUPE  
EUROPE  
HANDLING**



# IATA Invoicing and SIS

**Alex Smith**

Senior Manager, IATA Invoicing







# Agenda

## Topics:

- » Background – Reason for having SIS in the first place
- » Expanding the benefits of SIS beyond the airlines
- » IATA as a participant on the SIS platform
- » Some SIS features that we find really help





# Background

## Reason for having SIS – problem statement

- » Airlines had an interline data exchange standard called IDEC which was used to provide their interline partners details of their billings.
- » Annually, over 170 tons of paper were being flown around to support the process.
- » IATA Clearing House provided settlement of interline transactions based on amounts submitted directly by participants.
- » The issue is that these 3 sources of information rarely reconciled.





# Background

## Reason for having SIS - Solution

- » SIS was created as the e-invoicing platform for the aviation industry.
- » Taking existing data exchange standards and expanding them to encompass a level of detail which facilitates automated posting and reconciliation.
- » Providing participants structured outputs and reports.
- » Seamlessly connecting to settlement platforms and using the e-invoicing data to drive settlement.
- » Making reconciliation easier.





## Expanding SIS Beyond Airlines

- » All airlines are on SIS (not only legacy carriers) making SIS the richest airline community for invoicing.
- » Suppliers benefit from a strong IS-XML standard which is continuously improving to fit the industry's needs.
- » The IS-XML standard has been structured in a way to encompass detailed level fields in many charge categories and codes that are relevant to the type of charges being invoiced.





## Quiz Time

- » How many charge category and charge code combinations exist in the IS-XML standard?





## IATA as a Participant

- » IATA itself is benefiting from using SIS to invoice it's customers.
- » Leveraging the fact that all airlines are on the SIS e-invoicing platform to have robust invoice distribution. "connect once – connect to all"
- » Reduction in the number of fraud attempts on our customers as invoicing channel is clear to the customer and is secure.
- » Resulting in significant improvement in collection rates.





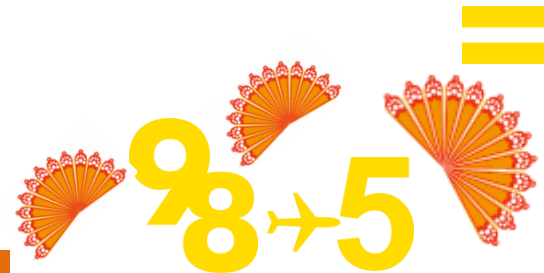
## Features IATA invoicing finds useful

- » **Processing Dashboard**
  - » Gives immediate feedback on your invoicing batch processing acceptance in SIS
- » **System notification**
  - » Email notification for system validation results and output availability
- » **Ability to include Supporting documents with invoices**
  - » Flexibility to share additional information with customers to support an invoice.
- » **Payment Status Updates.**
  - » See when a customer has viewed an invoice on the platform
  - » Sharing the payment status of invoices with your customers.





# Questions?







# Air Canada and SIS E-Invoicing

**April Callander**  
**Accounts Payable Manager**

**September 2018**



"Listen, I understand that accountants need to have fun, too, but can you take those off until we're done with this?"



# Benefit for Airlines using SIS

## Automation

- SIS produces an electronic IS-XML file with invoice data. Once integrated this eliminates paper or emailed invoices that must be data entered into a system
- Auto accounting can be setup using the SIS fields, reducing manual entry and review
- Taking it a step further - adding contract validation into your eInvoicing system. If the invoice matches the contract, no review required! **\*\*Key Requirement** – invoices must be submitted at a line level detail
- All of this automation means a significant decrease in processing time, allowing Accounts Payable to easily meet payment terms



# Avoid this Situation

Suppliers looking for payment



Accounts Payable



# Benefit for Suppliers using SIS

- **One system to access your biggest customers**
  - Companies are constantly approached with requests to use different e-Invoicing systems. It is not manageable to use all the different systems
  - Air Canada's e-Invoicing provider takes 3-6 months to setup one supplier for EDI. Each supplier is it's own project
  - With SIS the supplier can access many of their customers with one setup
  - Cost efficient. The SIS solution is more cost effective than Air Canada's current e-invoicing product



# Our Approach

1. Identified targeted suppliers for initial wave
2. Contacted our airports branch
3. Sent email out to airports
  - Listed benefits of the system
  - SAI fact sheet
  - Advised of upcoming information sessions
  - Signed by our VP/Controller
  - Coped in IATA and airport branch
4. IATA responded to any questions the airports came back with
5. Invitation sent to information session with 2 dates available
6. Follow up if invite was not accepted
7. Information sessions hosted by IATA



# Feedback and Results

- Most of the airports responded to initial emails
- Lots of questions about the pricing structure – development and ongoing
- Good attendance to the information sessions
  
- **Reasons using SIS immediately**
  - Cost – not seeing enough direct benefit to their business without other airlines making the same request
  - Resources – Vancouver International was interested but did not currently have the resources to allocate to the project.
  - Want something in exchange – Montreal Trudeau is requesting more data from Air Canada and will use IATA e-Invoicing if AC provides this data



# Airline Responsibility



- All airlines should be reaching out to airports in their respective countries to benefit the industry
- The more airlines pushing this initiative will help airports and airline specific suppliers realize the value
- If you are approaching a supplier Air Canada does business with, let us know. We will follow up with the same request to that supplier.





**Thank you**  
**Merci**  
**Gracias**

# Supplier to Airline e-Invoicing (SAI)

World Financial Symposium  
September 2018

# United Airlines and SAI Initiative Success

- United has had great success with our suppliers who choose to use SIS
  - This has created greater efficiency systemwide but especially in our international finance offices
  - Suppliers using SIS can efficiently submit invoices quickly and easily
    - This has increased the speed and quality of financial reporting and analysis, enabling better decision making
    - Standardized invoice formats decrease the time spent by our colleagues processing invoices
    - Internal transitioning of a supplier from traditional invoicing to SIS requires minimal cost and effort



# What are the benefits of SIS?

## Consistent Data

- Standardized data formats makes reviewing and reconciliation faster
  - Full data validation decreases errors and loss
  - Accurate and consistent invoices and support speed up processing
    - The use of standardized financial data enables future process transformation with minimal internal changes

## Centralized Process

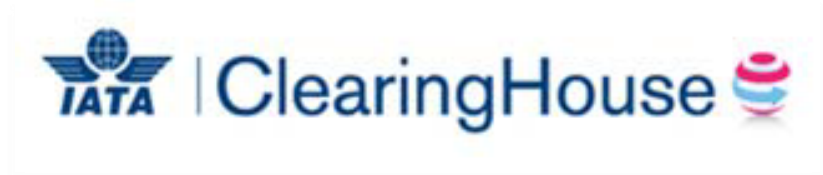
- One common platform means that any user system wide can access data on demand
  - Internal audit request as well as requests for information from suppliers and other parties is significantly faster to provide
    - Invoices and support are stored and easily accessed at anytime
    - Support from IATA is always available should any questions or concerns arise

## Efficiency

- By using SIS services we can quickly send and receive invoices in days rather than weeks through one platform
  - SIS enables United to automate and integrate with our ERP systems
    - Allows for automated posting & reconciliation
    - Faster processing = **faster payments**

# Future SIS Functionality – SIS Bilateral Billing

- SIS platform continues to improve and become more efficient each year
  - Current SIS Bilateral invoicing functionality is a significant improvement compared to traditional direct billing but can be even better
  - In the near future we hope to see SIS Bilateral combined with the current clearing house process
    - Increase organizational efficiency with an existing payment method
    - Faster payment and dispute resolution using existing processes and guidelines
    - Additional invoicing options for suppliers and airlines
    - Added protection in the event of a payment default and/or bankruptcy



# Thank you for your time!





Hello Tomorrow



SIS looking ahead – way forward.....

# Challenges – Invoice process

## ➤ Manual Invoices

- I. 80% paper invoices
- II. Manual Verification
- III. 5K emails per month

## ➤ Invoice Issues

- I. Quality of PDF
- II. Typo Errors

## ➤ Reconciliation

- I. Email exchange
- II. Manual working
- III. Detail level discrepancies.

- CSV Converter
- To print or Not

- Review & Highlight

- Delay in payment
- Time consuming
- No audit trail





# What's in it for the Airline

- **Standardised format of invoicing**
- **Dispute management**
- **Seamless process**
- **Multiple processes**
- **Herculean task to complete OTP**



# What's in it for the Vendor

- **One stop shop for invoicing all SIS members.**
- **Dispute management**
- **EPD negotiations**
- **Improve quality billing**
- **Improve cash flow**
- **Best Practices**



# Future the way forward

- **Automation today v/s our vision**
- **Data quality**
- **Tolerance on exceptions**
- **Auto Invoice status**



**PERFORM 2020**  
veranderen, meedoen & winnen



## Automated Receipt "Paperless Invoice"

### Invoice management

- storage
- reduce lost invoices
- reduce disputes
- workflow
- legal archiving

### Financial booking automation

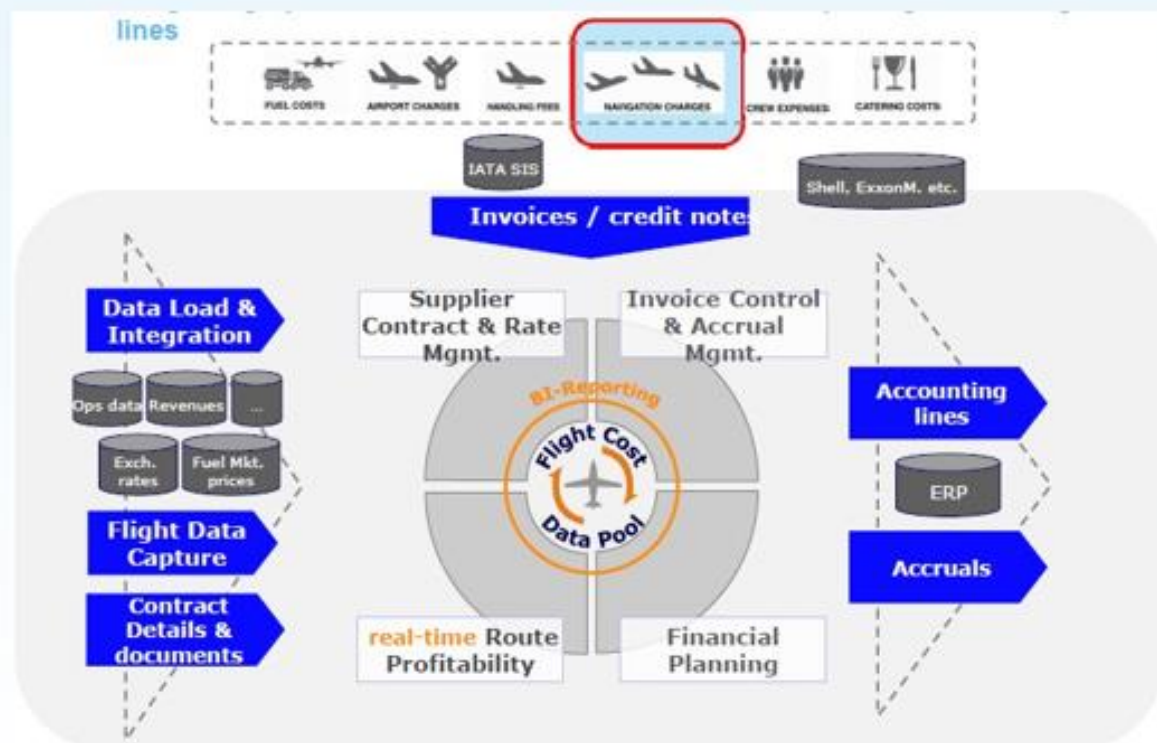
- usage of header info
- auto data entry
- data quality
- workflow and routing
- reduced late payment penalties

- accruals accuracy

### Business intelligence

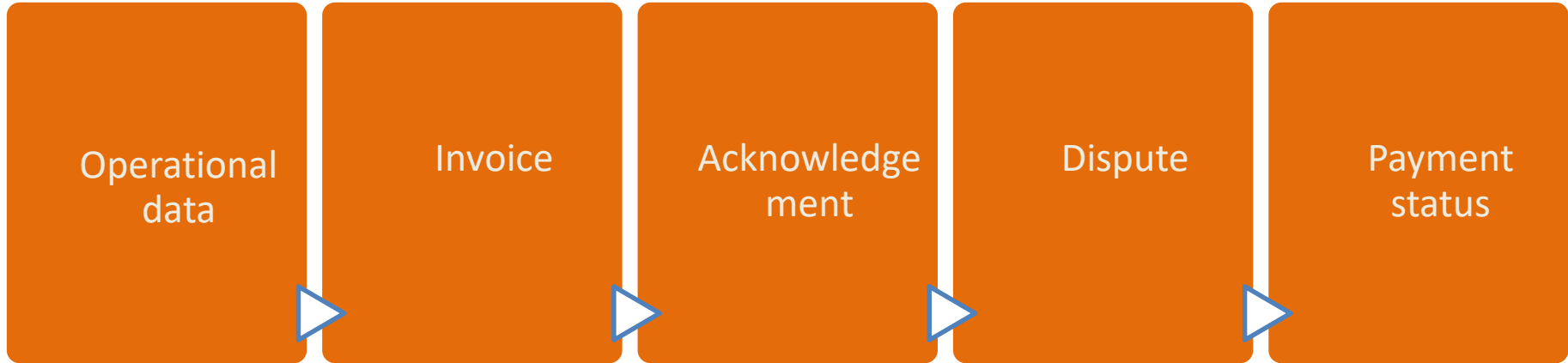
- improved route profitability and new route simulations
- global procurement
- improved management decision

## DOC Pilot - Target Situation





# e-Invoicing part of a global financial process



# Thank you!

