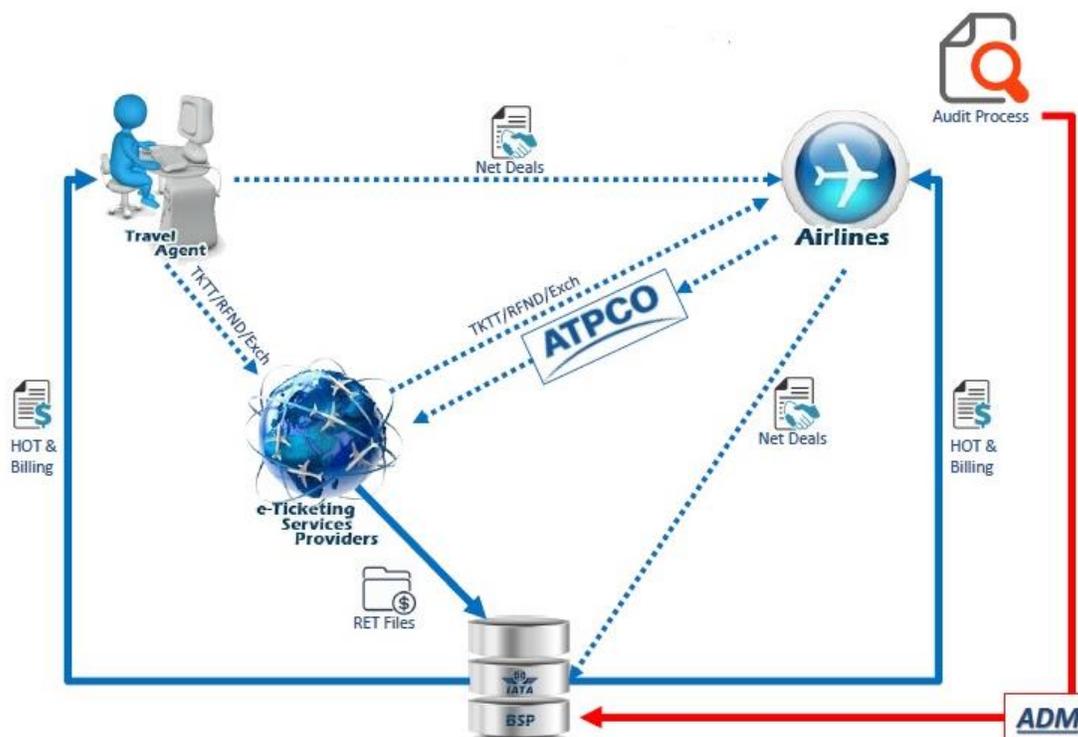




Why is ADM Reduction important?

The below graphic demonstrates on a high level the workflow of the distribution chain. The red flow indicates where the ADM process begins after the BSP settlement has been completed. Depending on the market, this post-billing process may take up to 6 months to complete. Therefore ADMs are not only a source of friction between the Agents and Airlines, it also represents a lengthy settlement process that takes place much later than the original transaction being issued. This increase the workload required from each party to validate and audit such transactions.



How did it start?

The ADM Management & Reduction Project has been endorsed by the Passenger Steering Group (PSG) in 2015, to work with the industry on a Root Cause Analysis to identify inefficiencies in the current distribution chain, and propose solutions that would result in the reduced need for post-billing revenue recovery via ADMs.

Two streams of work were in scope for the project during 2016:

- Conducting internal analysis of ADM root causes, with recommended solutions and best practices;
- Using results from the internal analysis to facilitate the ADM Working Group which comprises Airlines, Agents, Travel Agent Associations, GDSs, ATPCO and ARC. The group aims at building an action plan to identify solutions to improve inefficiencies and to reduce the number of ADMs raised.

By the end of 2016, the ADM Working Group came to an agreement of the solutions that the group considered would be beneficial to the current ADM situation, and prioritized such solutions for implementation during the coming years.

The outcome of this project is expected to lighten the workload in this process by:

- Reducing the need for ADMs in various areas, thereby reducing the workload, resources and time spent on post-billing revenue auditing
- By streamlining various work processes and enhancing the ADM process, to create a lean post-billing settlement process
- Enhancing the communication process within the existing workflow, as a result improving business relationships