E-SGHA - THE ROAD TO DIGITAL TRANSFORMATION

Speakers:

- **Thomas Klein**, Product Lead, IATA
- **Iva Pluhackova**, Manager Ground Operations, IATA
- **Bruno Roussel**, e-Invoicing Standard Manager, IATA
Workshop Objectives

- Understand your pain points in the current Procurement to Pay (PtP) process
- See how IATA initiatives can address these challenges
- Gather feedback on how to design the road to digitally transform the PtP process
Where are your pain points?

- PROVIDER SELECTION
- CONTRACT (SGHA & SLA)
- SERVICE DELIVERY
- FINANCE
Where are your pain points?

**PROVIDER SELECTION**
- Sourcing
- Evaluation
- Licensing
- Capability
- Auditing
- RFI (could be part of RFP)
- Operational Assessment
- RFP / Bidding
- Comparison
- Negotiation

**CONTRACT (SGHA & SLA)**
- General conditions of applicable SGHA
- Annex B:
  - List of requested services as per Annex A
  - Airline / GHP specifics & SLA
  - Effective and valid dates
  - Stations
  - Aircraft types
  - Flight schedule
- Cost models
  - Supplier
  - Airport
  - Aircraft
  - Basic rate
  - Additional prices

**SERVICE DELIVERY**
- Set-up
- Service reporting (contracted and non-contracted ad-hoc)
- Irregularities
- Service acceptance
- KPIs measuring / reporting

**FINANCE**
- Invoicing
- Compare
  - Budgeted vs. actual cost per flight
  - Station
  - Etc.
- Reconciliation (carrier)
- Payment of undisputed amounts
- Payment of disputed amounts
- Connection with 3rd party accounting software (e.g. SAP, Baseware, etc.)
How IATA initiatives can address pain points through digital transformation?

<table>
<thead>
<tr>
<th></th>
<th>PROVIDER SELECTION</th>
<th>CONTRACT</th>
<th>SERVICE DELIVERY</th>
<th>FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-INVOICING</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-SGHA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REAL TIME SERVICE ACCEPTANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMART CONTRACT / BLOCKCHAIN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
e-Invoicing (live)

- Share invoice format, with industry agreed data element – IS-XML
- Single connection hub between parties – SIS platform – managed as an industry service
- Allow automation of billing process and reduce IT effort
- Avoid multiplication of invoice formats & connection to various proprietary systems
- Evolution of the standard follows industry needs – suppliers and airlines
e-SGHA (concept)

- Automated Annex B Template
  - Selection of Services as per Annex A
  - Service Charges
  - Airline specifications
  - Reminders for “Notwithstanding of Main Agreement Articles” as applicable
  - Version control, data protection
  - Paperless online contract management
  - Translation to XML and link to e-Invoicing

- Online Negotiation Tool
  - Live negotiation (chats, talk)
  - Interactive negotiation (comments fields, track changes)
Real Time Service Acceptance (concept)

- Based on airline approval at time of service rendered
- Instant message trigger for automatic billing via a smart contract
Smart Contract / Blockchain (Vision)

- Fully automated contract, pre-agreed between parties
- Service acceptance triggers automatic invoicing with accurate pricing
- Drastically reduce billing / invoicing process time, for better on-time payment
How IATA initiatives can address pain points through digital transformation?

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Provider Selection?</th>
<th>Contract</th>
<th>Service Delivery</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-INVOICING</td>
<td>Live</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>E-SGHA</td>
<td>Concept</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REAL TIME SERVICE ACCEPTANCE</td>
<td>Concept</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SMART CONTRACT / BLOCKCHAIN</td>
<td>Vision</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
How to design the road to digitally transform the PtP process?

- Survey to be sent post IGHC
- Fishbowl draw for AHM Ed.38
Networking Break