ONE Order Case Study

ISO-Gruppe: From Sales to Accounting with ONE Order

ONE Order

ONE Order aims to modernize the order management process in the airline industry. This industry initiative led by IATA intends to replace the multiple and rigid booking, ticketing, delivery and accounting methods.

The ONE Order standard enhances the capability of communications between airlines, delivery providers and accounting systems and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use.

It introduces concepts such as delivery status and internal values in order to replace current paper based mechanisms used for delivery tracking and accounting purposes. ONE Order eliminates the current booking and ticketing records and combines the content of those into a single retail and customer focused order.

Full information can be found at: www.iata.org/oneorder

ISO-Gruppe

The ISO-Gruppe has been active in the market since 1979 and has become an established international IT service provider. Targeting specific markets has resulted in several powerful and innovative companies under one roof. Some 520 permanent employees work at several sites throughout Germany and in associate companies in Austria, Poland and Canada.

The companies ISO Software Systems, ISO Travel Solutions and ISO Professional Services of the ISO-Gruppe, with their respective offices in Nuremberg, Munich and Frankfurt, are certified to the requirements of the quality management system in accordance with DIN EN ISO 9001:2008.

As part of our portfolio, we consult, develop, implement, maintain and optimize IT solutions and offer personnel services. ISO-Gruppe is one of Europe`s largest suppliers of software solutions for the travel industry and we also provide various solutions for the aviation industry, incl. airlines, ground handling, airports and ATC.

Full information can be found at: www.iso-gruppe.com/en/

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The ONE Order pilots

With NDC, the industry has received a toolbox to change their sales processes comprehensively and sustainably. Numerous projects and solutions have already been implemented that redefine the interaction between consumers and service providers and enable new products.

The introduction of the electronic tickets in 2006/07 saved many trees, but the basic processes for billing and accounting between customers and airlines and within the airlines remained almost unchanged.

ONE Order will eliminate the limitations created by decades-old legacy systems and resulting processes and will replace PNR, EMD and E-ticket.

Based on the fact, that ISO-Gruppe has airline customers with different business models, from leisure to scheduled services, we wanted to find out, whether ONE Order is suitable to support the accounting process of both business models.

The Scenarios

ISO-Gruppe defined two different scenarios:

Pilot #1

Accounting Approach 1: Using existing Revenue Acounting System & accounting interface framework.

- Processing of ONE Order data, NDC and legacy in parallel in the Revenue Accounting System

- Objective: Validate that the ONE Order concept and messages allow proper accounting for a scheduled carrier (i.e. full service)

Pilot #2

Accounting Approach 2:
Direct interface Order Management System (OMS) to Financial Accounting (ERP) using Condor as partner airline.

- Processing of ONE Order data as a standalone process in the Financial Accounting (ERP)

- Objective: Evaluate, if a leisure airline´s selling workflows & accounting processing will also work with ONE Order concept and messages

IATA recognized both projects as official ONE Order pilots and the outcome and feedback of this project has been shared with the industry to further contribute and improve the standard.

To provide the proof of concept, ISO-Gruppe used its own technical infrastructure consisting of:

- ISO-Gruppe's OMS "SKYres" to replay selling workflows using NDC and generate ONE Order messages

- ISO-Gruppe's Revenue Accounting System "SKYfly Revenue" for the approach #1

- ISO-Gruppe's Flight IBE

- Condor´s inhouse reservation system (maintained by ISO-Gruppe)

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The Objectives

For the **Pilot #1**, SKYres OMS simulated the interaction between OMS and Revenue Accounting System by using the ONE Order messaging: OrderSalesInformationNotification (OSIN) and ServiceStatusChangeNotifRQ (SSCN).

SKYfly Revenue processed the messages and generated accounting data for sales accounting and revenue recognition. Data in OSIN were split up into single records depending on passenger Order Item and Service Item. OrderID and OrderItemID were stored in the Revenue Accounting System. SSCN was then used to indicate services as used.

Finally, SAP ERP consumed the accounting data successfully. The major focus of the **Pilot #2** project was to identify the capabilities of the ONE Order message format to serve as general purpose accounting interface based on the requirements of Condor, as partner airline.

The project scenarios were focused on the business cases in which Condor's reservation system directly connects to an accounting system since the involved processes are already very close to concepts of ONE Order – handling the complete passenger journey with one single order reference. Due to the definition "leisure carrier", this pilot did not include third-party flights, and it was limited to Condor`s direct sales channels.

We defined three use cases to cover the scenarios:

- Book a one-way flight for two passengers

- Change the booking by adding a seat assignment

- Voluntary change of the booking by moving the flight date to the next day. This change adds a penalty (fee) to the order

SKYres successfully simulated the interaction between OMS and accounting system by using the ONE Order messaging, OSIN.

The Challenges

For many years, ISO-Gruppe has been familiar in detail with the accounting processes of various scheduled carriers using our Revenue Accounting System. Many things are standardized here, with the entire process being based on common data formats that require PNRs, E-tickets, and EMDs.

For both **Pilot #1** and **Pilot #2**, we had to enhance SKYfly Revenue with additional fields to store OrderID and OrderItemID and with OSIN and SSCN interfaces, but this was part of the planned product development.

With regards to the **Pilot #2**, Condor´s in-house reservation system uses specific interfaces to the accounting system. It was necessary to create an accounting mapper component to translate the OSIN into native accounting system messages.

In terms of this pilot, the accounting mapper component was treated as being part of a standard accounting system, being able to receive and process ONE Order messages, keeping specific mapping logic outside an OMS solution.

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Initially, we planned to include the SSCN as part of the relevant messages to the financial accounting system. However, while evaluating Condor`s accounting interaction, it was identified to not be part of the exchanged messages, since the relevant status transitions are handled automatically on a time based manner. It means, the accounting system imports the values on sale but recognizes the actual revenue later based on a due date.

The Lessons Learned

Since NDC is already a widespread and well-tested format, it was not a question if our SKYres OMS could handle requests from "any" NDC-enabled partners using NDC messaging.

For the scheduled carrier scenario, handled in **Pilot #1**, we used our Flight IBE to generate the bookings, for the leisure carrier case, we used a NDC Client instead.

SKYres Order Management System is able to transmit and interact for own sales into "any" ONE Order compatible accounting system (Revenue Accounting or Financial Accounting), but it required adjustments in both OMS and accounting to successfully implement the pilot project.

The Revenue Accounting System was capable to receive and map the orders into the current ticket records. The approach allows parallel processing of legacy and ONE Order data, so the RAS can be used from the initial phase of the adoption.

In the course of Condor`s **Pilot #2** project, some improvements for the standard message definition were identified and implemented in close cooperation with IATA as extensions to the standard, including payment, tax currency conversion, contact language indicator etc.

The Conclusion

This **Pilot #1** project was intended to provide evidence that a scheduled airline does not have to replace its RAS immediately by introducing ONE Order and to evaluate, if proper accounting can be done based on ONE Order messaging and format for sales accounting and revenue recognition.

Processing through a Revenue Accounting System is a valid approach; an airline has the choice to start with ONE Order without being 100% ONE Order ready, because the RAS is able to do parallel processing of different sources.

From the **Pilot #2**, Based on Condor`s setup, one can say, that the ONE Order standard also supports the essential requirements of a direct data exchange between sales and financial accounting, without using a Revenue Accounting System.