ONE Order Pilot – “NDC meets ONE Order”

August 28th 2019, IATA ONE Order Meeting, Geneva, Sebastian Holfert, André Siggel
Agenda

01 ONE Order Pilot – “NDC meets ONE Order”

02 Lessons learned & Roadmap
ONE Order Pilot – “NDC meets ONE Order”
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Scope of the Pilot

Request
- Customer frontend

Offer
- IATA NDC

Order
- IATA ONE Order

App Runtime

Offer Management

Dynamic Pricing Engine

Order Management

Payment Hub

SIRAX® Revenue Accounting

SIRAX/Credit Billing Solution
ONE Order Pilot – “NDC meets ONE Order”

Involved Parties

Lufthansa  JR Technologies  Lufthansa Systems
ONEx Order Pilot – “NDC meets ONE Order”
Create an end-to-end offer and order process flow in 12 month ...

...with
- >200 passenger transported within LHG EU Kont network
- 3rd party ancillary service included (WiFi voucher, lounge)
- clean ONE Order-based processing of NDC offers

...having
- built up essential innovation know-how for LH Group (LSY, LGBS)
- explored opportunities of true dynamic pricing
- gained transparency about process dependencies
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Introduction Dynamic Pricing Engine

Continuous pricing independent from booking classes and filed fares

Semi-automatic dynamic pricing approach:

Price = base_price_i

- \( f_j \) (days.before.dep)
- \( f_k \) (dep.time)
- \( f_l \) (bkg.loadfactor)
- ...

Request specified by
- flight number, origin & destination, departure date & time, etc.

Function type

Linear incr. (flat)
Exponential incr. (flat)
Stepwise incr. (flat)
Sigmoid incr. (flat)

alpha
1.5

beta
-0.015

\( x_0 \)
180

Remark
Sample S-shaped increase when approaching departure.
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Introduction Revenue Accounting area

Real time processing of NDC and ONE Order sales transactions in SIRAX®

Support of IATA industry standard formats:
- OrderSaleInformationNotificationRQ (OSIN)
- ServiceStatusChangeNotificationRQ (SSCN)

Uplift (usage) processing based on SSCN messages from Order Management System

Consideration of dynamical priced values provided by the Order Management System
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Overview Revenue Accounting area

- Integration into the existing SIRAX/RA system landscape

- Post-Import process
  - Skip Proration and tax calculation – dynamical priced values
  - Uplift processing triggered by SSCN message
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IATA Certifications

• **ONE Order certification**
  Accounting Flights & Ancillaries

• **IATA Supporting NDC label for SIRAX®**
Lessons learned & Roadmap
Lessons learned & Roadmap

Basic assumptions

The key challenge for airlines will be the inevitable transition phase, where legacy structures (tickets, EMD‘s, PNRs) and Orders will need to be processed in parallel.

- Lufthansa Systems will offer an overall integrated solution:
  - Legacy world in the SIRAX/RA module
  - Orders in the new SIRAX/ONE Order module

- ONE Order module will enable:
  - Posting of Orders
  - Combined reporting of Orders and tickets/EMDs
  - Settlement of Orders (incl. MISC-billing for 3rd Party services)

Prototyping with pilot customers and agile implementation will allow the product to mature and be in line with the emerging industry standard.
Lessons learned & Roadmap

Overall integrated accounting solution in the transition phase

Handling of all data constellations in the transition phase, with parallel processing of legacy documents and Orders

- Legacy Tickets and EMDs
- NDC Phase I and II
- Pure ONE Order

SIRAX/RA

- General ledger
- Revenue Reporting
- TFC* Reporting

*TFC - Taxes, Fees and Charges
Thank you for your attention

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