NDC InFocus: Settlement with Orders Standard
A simpler & more efficient way to settle NDC sales

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17 July 2020
Agenda

- A new Airline Retailing world with NDC and SwO
- How does the Settlement of NDC Orders work with the new SwO standard?
- What are the benefits for the Industry?
- The program roadmap
- A transformation built with the Industry, for the industry
- Next Steps
- Q&A with the SwO Team
A new Airline Retailing world with NDC and Settlement with Orders (SwO)
Airline Retailing, NDC without SwO

Sellers / IATA Travel Agents

Offer Management
Order Management
Ticketing
Revenue Accounting
Accounting

Airline

Payment / Settlement
Airline Retailing, NDC with SwO

Sellers / IATA Travel Agents

Offer Management

Order Management

Fulfillment (Ticket or Order)

Finance

Payment / Settlement

Airline
Data flows to enable the Settlement in 2020

Airline

GDS sales
GDS RET supported

Carrier NDC or Finance

HOT

Offer-Orders Sales
Airline RET supported

EDIS RET

Sales Reporting

HOT

Offer-Orders Sales
SwO Supported

SwO Messages

Settlement

Settlement Manager

Remittance

SwO Messages

Bank (Airline)

Seller

BSP and R&S

Sales Reporting

RET

Seller Finance

Bank (IATA)

Bank (Seller)

NDC InFocus - Settlement with Orders

17 July 2020
The SwO Standard Framework is enabled

**Contractual**

PaConf*/42 - October 2019 approved

Resolution 866 – Update to Definitions of Terms Used in Passenger Agency Programme Resolutions to enable SwO usage

**Technical**

PSC* - October 2019 approved

SwO Standard Carrier-Seller
- PSC Resolution 750a
- SwO messaging standard Rel 19.2.
- Unanimously approved by PSC on 14 Nov 2019 WAW

*PaConf: Passenger Agency Conference

*PSC: Passenger Service Conference
Settlement with Orders: How does it work?
SwO between Carriers and Sellers

**STEP 1**
**Distribution:**
Order processing

**STEP 2**
**Finance:**
- Order Accounting
- SwO Remittance & Settlement processing & Accounting

**STEP 3**
**Banks:** Transfer of funds processing & Accounting

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Order Management System
- Shop/Offer
- Order + Payment Commitment
- Cash or EasyPay

Finance System
- Post Booking
- Mid-/Back-office

SwO messaging

Bank

Funds Transfer

Airline

Seller
SwO messaging flow

**Seller System**
(Mid-/Back-office - Finance)

- Agreement ID: 1234567890
- Commitment ID: 0987654321
- Payee: Airline ABC 945
- Payer: Agent X
- Currency: EUR
- Net Clearance Amount: 1’000
- Remittance Date: DD MM YYYY
- Remit ID: SWR00000001

**Clearance ID: 202095400000111**

**Settlement Platform**
(Settlement Manager)

**Airline System**
(Finance)

- Agreement ID: 1234567890
- Commitment ID: 0987654321
- Payee: Airline ABC 945
- Payer: Agent X
- Currency: EUR
- Net Clearance Amount: 1’000
- Settlement Date: DD MM YYYY
- Settle ID: SWS00000001

*Remittance and Settlement Dates follow RSP calendars
SwO Agreement ID = NDC Order ID
SwO Commitment ID = NDC Payment ID*
SwO beyond Carrier-Seller settlement

11  NDC InFocus - Settlement with Orders  17 July 2020
The SwO standard is published!

The full standard documentation is available:
- https://airtechzone.iata.org/industry-programs/swo
- 19.2 & 20.1 versions
- Implementation guide, XSD schemas, XML samples
SwO : What are the benefits for the Industry?
SwO complements & supports NDC

Streamlined & Efficient
Simplified settlement of your NDC Orders

Easy to implement
Lean XML data exchange standard
Simplified process

Re-usable
For settlement between any NDC travel industry partners

Supports Air Vision
Any type of service
Does not require ONE Order

A first step
SwO Benefits for finance (Airline & Seller)

Without SwO
- Manual
- Costly
- Time consuming

With SwO
- Fully automated reconciliation
- SwO strengthen your NDC implementation

Without SwO
- Not accurate
- Not timely
- Not visible in ERP

With SwO
- 100 % accurate
- Early visibility
- In ERP

Manual
- Automated
- Efficient
- Fast!
- 5-6 days saved monthly!

Not accurate
- Not timely
- Manual or somehow automated
- Not visible in ERP

Fully automated reconciliation

Fast and accurate cash visibility
What is the SwO roadmap?
SwO High-level Roadmap 2018 - 2021

- **2018**
  - SwO Draft Standard

- **2019**
  - Test Pilot: Nov-Dec 2019
  - POC: Aug-Oct 2019
  - SwO Standard 19.2

- **2020**
  - Live Pilot: April 2020
  - POC: 01 May 2020
  - SwO Standard 20.1 / 20.2
  - Test Pilot: tbd

- **2021**
  - Industry Adoption: 01 Jan 2021
  - Go-Live: tbd
  - Go-Live: tbd
  - POC: tbd
  - SwO Standard 21.1 / 21.2

**Indirect Sales (Seller)**

**Retailer Interline**

**Retailer Partners** (Hotels, etc.)

**NDC InFocus - Settlement with Orders**

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Built with the Industry, for the industry
Airlines - Settlement with Orders Group (SOG)

- Airlines set the SwO Standard
- 13 airlines participated: AA, AF, BA, CX, EK, HR, JU, KL, LH, LX, SQ, TK, UA, QF
- Reports to the Pay-Account Standards Board (PASB) under the Passenger Services Conference (PSC)
- Deals with all aspects of financial settlement between two parties – payer and payee – where at least one of the parties is an airline, and within the scope of IATA resolutions
- Sales payment & settlement processes experts with accounting and finance process knowledge
Providers - SwO Adoption Group
Working together with various providers to allow adoption
First successful implementation!

- Test Pilot: Nov & Dec 2019
- Live Pilot: April 2020
- In production since 01 April 2020
- Major benefits materialized
  - Lean messaging
  - Cash Flow Management
  - Automated Reconciliation
The world has changed with COVID-19
SwO supports post-COVID restart

Reduce Cost

Simplified Finance

Better Cash Management

Automated Reconciliation

Generate Cash

Support NDC

For Ticket or Order

Enable New business

For carriers and sellers!
Next steps
Get ready, embrace the SwO standard!

Airlines
- Bridge the gap
- Contact your provider(s)
- Create SwO business cases
- Link SwO strategy with NDC one
- Build a plan

Sellers
- Bridge the gap
- Contact your provider(s)
- Create SwO business cases
- Link SwO strategy with NDC one
- Build a plan

Providers
- Involve your clients
- Get ready for SwO
- Create a plan
- Support the industry transformation

Contact IATA
Sign Expression of Interest letter
Pass certification
Contact the SwO team
swo@iata.org

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