

SIS e-invoicing Mobilization Initiative

How it began

Prior to starting the mobilization initiative, we consulted and gathered feedback from the industry including airlines and suppliers to obtain consensus on whether such an initiative would bring benefits to the industry. We received very positive feedback from both airlines and suppliers. Many viewed the initiative as a “no-brainer”, one that would certainly bring benefits for the entire air transport industry.

The early stage

The initiative officially launched in November 2013 with a kickoff workshop in London, hosted by Heathrow Airport. This project is the second phase of an airline industry project (SIS) that enabled full paperless interlining for 370 airlines using a unique IATA e-invoicing standard dedicated to the industry. SIS achieved a yearly cost savings of \$500M to all parties involved. Thus, in the early stage of the project, we engaged IT suppliers that provide billing and cost control systems to gain their support in providing IT compliance. These suppliers include SAP, Oracle, ISO, TOPSystem, Indra, Damarel, Accelya, Escort, UltraElectronics, LH System, Maureva, AirPas, Megabyte and Edge Airport etc.

Progress

The initiative is to be differentiated from the generic paperless invoicing that benefits the environment and replace legal physical invoice. More importantly, it aims at expanding electronic usage and providing EDI information at a worldwide level to all airlines' direct operating cost suppliers. This is a very powerful effect as it increases back office efficiency and leads to significant cost savings for the industry. The project was defined by the airline CEOs as a priority for the industry and is a Board Monitored Activity

The industry solution

Today, our industry solution, SIS e-invoicing is legally compliant in 41 countries, allowing 80% of the total invoice traffic to be legally paperless, tax compliant, and 100% pure EDI (even with sending members who use a web interface to capture invoices the receiving party will received detailed IS-XML format allowing full automation)

Maximum benefits

The initiative is targeted at all airlines' direct operating cost suppliers such as airports, MROs, ATC, ground handlers and caterers etc. Low cost carriers, charters, and business jets also share the same suppliers as legacy carriers. Since these suppliers provide core services to the air transport industry and the services are a major cost for airlines, the involvement of these suppliers and their willingness to join the initiative are essential to bring the maximum amount of mutual benefits and cost savings for the entire industry.

The target

Today, there are more than 370 airlines using the paperless interlining platform (SIS). By leveraging both IATA regional influence and airline influence on the suppliers, the target is to onboard all airlines and their direct operating cost suppliers. Currently, there are more than 50 airlines that are actively contacting and engaging suppliers on the initiative. This number is expected to double by 2015.

Cost Savings

By using the generic paperless electronic invoicing, airlines and suppliers are able to save between \$7 and \$25 per invoice. Submitting invoices through EDI using our industry solution will lead to additional savings for the industry as the detailed supporting information is provided in electronic format along with data capture capability and shortened reporting time. These features enable cost control and leads to a saving percentage of the total DOC (as per testimonial start at 1.2 and decrease rapidly to 0.5-0.3 %)

Date of completion

The initiative is ongoing. The closing date and time limit has not yet been defined. However, the bulk of effort is foreseen to take place in the next 3 years in order to create the necessary snowball effect with airlines and suppliers continuously engaging and bringing more industry players on board.

IATA's role

IATA's main role is to coordinate and support all airline and supplier efforts in the initiative by analyzing and building the strategy to onboard suppliers and creating awareness of the initiative at industry events. The most recent industry event took place on September 16th at the World Financial Symposium in Abu Dhabi. [See](#) the minutes and presentations made by suppliers and airlines during the meeting. In addition, IATA facilitates communication by maintaining the webpage and online forums as well as drafting information collaterals such as presentations and flyers. This enables airlines and suppliers to exchange views on best practices and thus enhance their understanding on the benefits of the initiative.

IATA is also leveraging regional influence on local airlines through internal campaigns that aims to engage and support local airlines to contact their suppliers and request the use of our industry solution.

Furthermore, IATA sets standards such as the AHM standard agreement and facilitates meetings with airlines to set the IS-XML e-invoicing standard.