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Full Coverage – Cargo Accounting Services

icargo CMS

The airline industry provides one of the most important services to the modern world, which is connecting businesses and families across boundaries, around the world. Yet, airlines is one of those industries despite its scale and scope has consistently been operating at razor thin margins ever since the initial days of commercial aviation. Having very few differentiators from competition, managing the huge costs have always been a strategic as well as tactical measure by airlines to keep operating margins and key financial indicators healthy.

Outsourcing non-core, yet mature, business processes with clear visibility of outcomes has been one of the key services that has been employed by business for improved process efficiency as well saving costs. Outsourcing of revenue accounting processes for cargo is one such area that promises substantial savings for an airline as well as have a positive impact on the bottom line. The availability of processed data will also help the airline to generate business insights leading to improved decisions in a timely and cost effective manner.

Airline needs the right technology solution and partner who will equip them with the business solution and associated services to meet requirements around cost savings and improved business performance.

Challenges in Revenue Accounting

Many of the challenges that airlines face today in accounting for their business have been long in the making. In many instances, systems and processes that have been added ad-hoc over a long period of time present severe operational as well as strategic challenges:

Inefficient & un-scalable processes: Fewer revisions to processes to accommodate changed business scope.

Evolving Industry Standards: Continuously evolving technology will need better and improved compliance standards (IATA SIS).

Legacy application landscape and interfaces: Web of legacy applications that converse over costly interfaces.

Need for cargo domain expertise: Being a specialized process, Revenue Accounting requires personnel with deep domain knowledge.

Cost of training and retaining talent: Processes require diligent attention to detail carrying with them a steep learning curve and associated cost of retaining talent.

IBS Value Proposition – Cargo Accounting Services

IBS offers Cargo Accounting Services (CAS), a completely outsourced revenue accounting service for air cargo carriers. The CAS is fully based on IBS' iCargo Cargo Revenue Accounting (CRA) module which is a sophisticated solution that provides vastly automated processes for total control of revenue accounting requirements. The AWB & manifest data could be used from the iCargo Operations database or the system is capable of importing AWB operational data from any third party Cargo Management system, should that be a different one in the customer organization.

The CAS will ensure total quality monitoring by following agreed Standard Operating Procedure (SOP) for various process areas to measure compliance and have identified the following KPIs to be outlines and measured:

- Cycle & Processing time by function point
- On-time & backlog monitoring
- Productivity & throughput yield
- Transaction quality & accuracy
- Monitor performance against set SLAs

IBS's large pool of talented cargo revenue accounting experts will be available to support customers in all aspects of the offering including process, product and day-to-day support throughout the term of engagement. The CAS service thus delivers the power of iCargo through services fully managed by IBS delivered though a highly efficient, cost-effective and agile end-to-end service to meet all your revenue accounting needs.

Benefits

The CAS solution from IBS offers immediate benefits to airlines, which are directly linked to their operational performance as well as bottom line. By engaging IBS as the single partner for providing the Cargo Revenue Accounting system and the Cargo Accounting Services (CAS) will significantly improve operational parameters related to managing the accounting system on one side and increased benefits derived from automated and streamlined processes that help improve cash positions and plug revenue leakages.

The following are some of the key benefits of the CAS solution offered by IBS.

- 👍 Streamlined processes supported to identify and plug revenue leakages. Real time view and faster revenue recognition.

- 👍 Faster & accurate sales billing and interline claims processing having positive impacts on cash-flow.

- 👍 Enabling finance organizations to focus instead, on providing metrics, information and tools needed for sound business decisions and agility.

- 👍 Single partner for system & services offers bundled contract, reduced cost of operation, savings on detailed system trainings, simplified engagement protocol and easy vendor management.

- 👍 Understanding of airline's existing business processes, supported by in-depth domain knowledge on cargo and revenue accounting.

- 👍 Flexible and competent team with ability to support across different process areas.

CAS – Solution Coverage

Based on the existing set of processes related to cargo revenue accounting outsourced, coupled with the experience and detailed understanding of iCargo CRA, the list of activities supported by the CAS solution are explained in the table below.

Rate Audit & Adjustments	Rate & charge discrepancy	TACT & Contract rates	Other charges discrepancy	Agent / Customer	Prorated values	Spot rate, Spot SPA	Ready for billing
Sales Billing	Pre-billing check	CASS billing	Export Direct billing	Sales Report processing	Manage payments		
Interline Processing	Load & process SIS Inward files	Inward billing exceptions	Rejection & Billing Memos	Outward billing invoices	Outward SIS files		
Flown Processing	Process flights	Flown exceptions	Proration exceptions	Revenue reports			
Reference Data	Customer master	Airline master	SPA maintenance	Proviso & Requirements	CASS Schedules	Accounting Calendar	
Auxiliary	Pre-billing reports	Pending status tracking	Sales Billable transactions	Revenue recognition status	Inward Billing status	Interface files	Accounting reports

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