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WHITE PAPER

A GAME CHANGER FOR THE AVIATION INDUSTRY

How GHS is revolutionizing contract and billing management for aviation services

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MEMBER OF EPG

PUBLICATION DETAILS

WHITE PAPER
GHS is revolutionizing contract and billing management

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STATUS QUO:

CONTRACT AND BILLING MANAGEMENT

The aviation industry finds itself in a state of constant change and is faced with new challenges: Lead times for ground handling services are becoming shorter, technology is advancing, networking is expanding and companies are under pressure to innovate. Ground handling firms not only serve the needs of numerous customers simultaneously each and every day, but also provide a whole host of different services. Being able to rapidly and reliably verify whether the services in question are covered by existing contracts, or whether they instead constitute extra services, is crucial.

With the sector in a constant state of digital transformation, customers are also becoming more and more demanding. For example, they want increasingly systematic service structures for greater transparency, along with complex billing solutions for extra services and ad hoc services. As a result, contracts are becoming increasingly complex, the range of services on offer is growing larger and larger, and billing is becoming more complicated.

Transparency and clever organisation are therefore essential to ensure effective ground handling services without any hiccups. That is why ground handling service providers are working hard, and with great focus, to optimise their processes at operational level. To make this happen, companies need to automate their procedures for recording services as well as entire process workflows, while also introducing cutting-edge IT systems. However, for a complete digital harmonisation of process chains, administrative tasks performed after services have been rendered are also highly relevant and offer significant potential for increasing efficiency. Despite this, numerous companies in the sector continue to rely on manual processes when it comes to recording services or contract and billing management. This means that, to this day, services and contract details are often still being recorded by hand and then manually prepared for further processing.

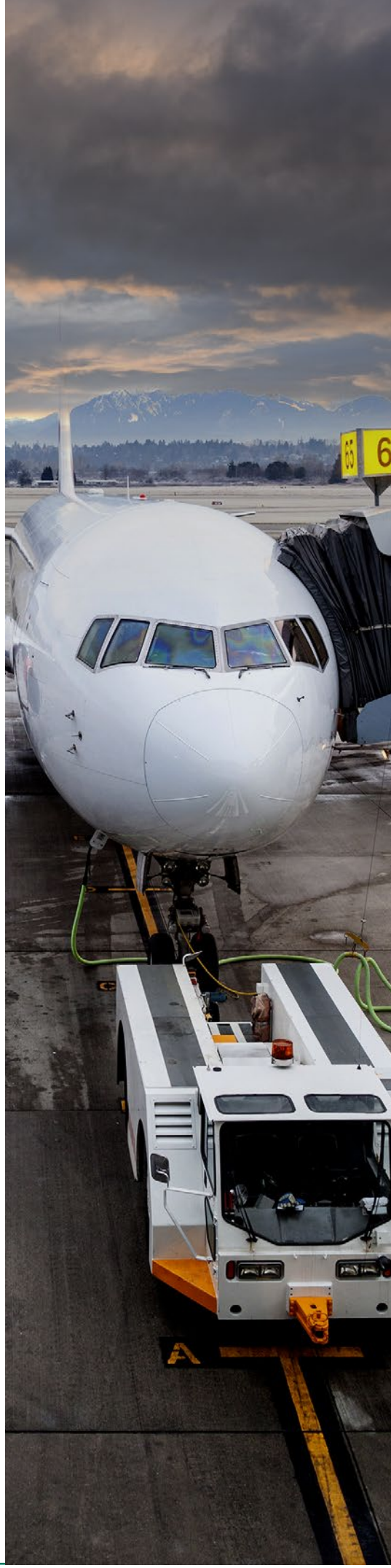
The whole process is therefore reliant on staff accurately recording data. However, this approach makes contract and billing management prone to errors, as incomplete data entry can lead to customers being billed only partially or even not at all.

The cooperation between the involved parties, including all services to be rendered, is documented in contracts. These contracts can become extremely complex, for example due to a whole host of different billing conditions and ad hoc services – a confusing jungle of information and individual service components.
Customers requesting and then receiving extra services is very much part and parcel of the business. When extra services are recorded manually, it is not uncommon for errors to be made when data is transferred to the connected ERP system. The data quickly becomes unclear, with companies missing out on potential sales they are no longer able to record.

What's more, it's very difficult for the service provider to document billing processes that aren't digitised, leading to a lack of transparency. Any services that go beyond contractual agreements are often not documented at all. However, the service provider would obviously like all services rendered to be invoiced in full, and for all bills to be paid on time. For their part, customers want to have an overview of the accrued costs and, of course, only wish to pay for the services that they have in fact received. Detailed invoice verification must also be possible to ensure that no errors have been made.

The result is that errors can creep into many areas of contract and billing management. Incorrect billing gives rise to unnecessary costs, and the lack of transparency leads to costly invoice corrections that often result in high monetary losses for the service provider. There is also the question of whether all services rendered are actually recorded and documented, ensuring that everything can be billed for.

The fact is that many ground and cargo handling companies do not receive all their potential revenues due to their traditional approach to recording and billing services. The solution to this problem is a software system that forms a digital interface between the operational level and the electronic accounting system. It provides a fully comprehensive, continuous digital connection for the processing of service, contractual and billing data.



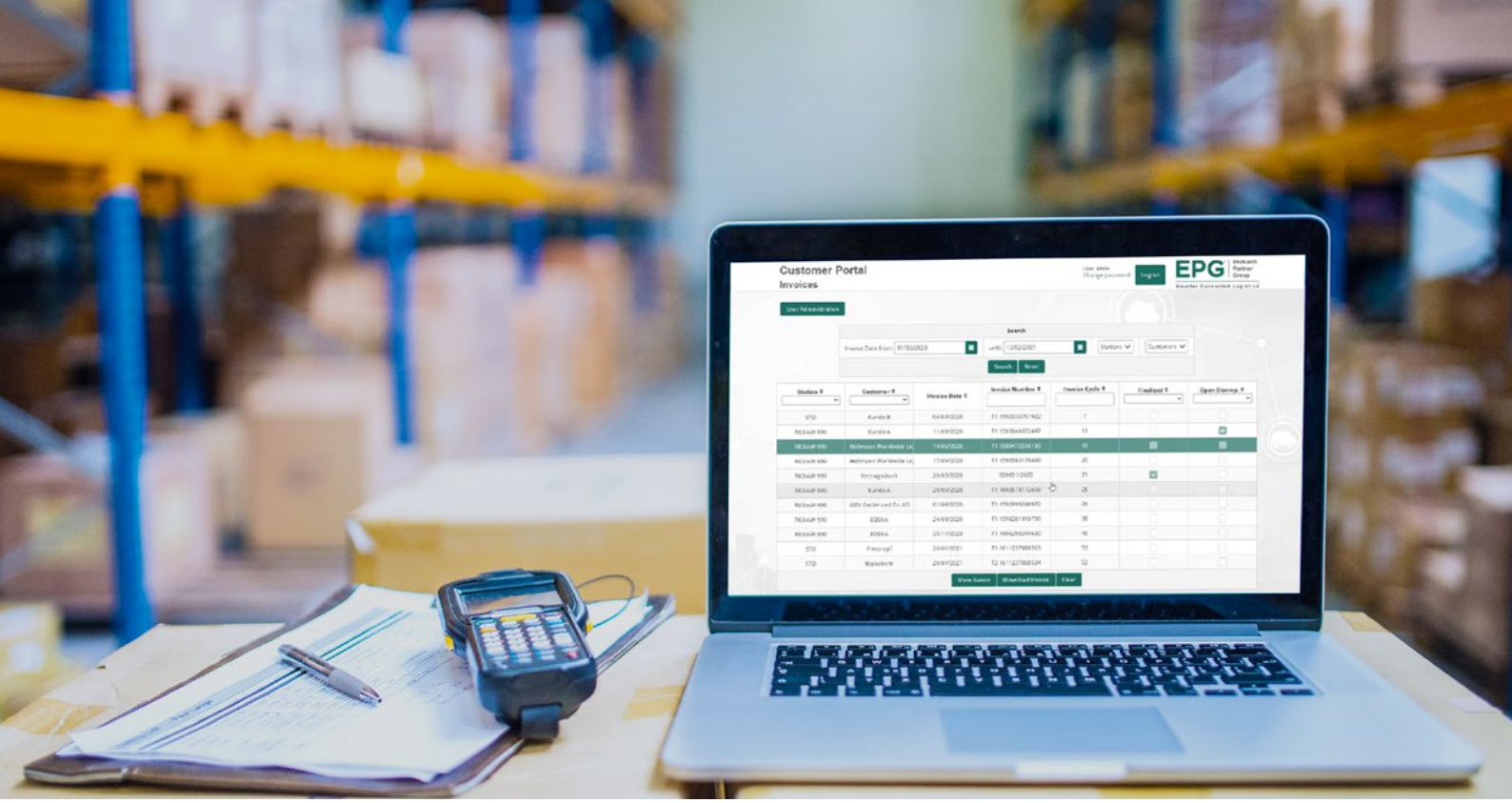
DIGITALISATION

HELPING TO RESOLVE CHALLENGES IN CONTRACT AND BILLING MANAGEMENT

Despite the digitalisation megatrend, the aviation industry still has far too many paper-based processes. Contract and billing management, which for decades has been based on manual processes, is one particular area in which companies can really benefit from the latest developments and tap into huge potential for innovation. The same is also true for the way they record services. The introduction of digital business processes leads to a closer connection to customers and provides companies with a crucial competitive edge.

There is currently a focus on digital solutions for contract and billing management. The integrated contract and billing modules in EPG's GHS system provide the digital solution to all kinds of challenges relating to manual contract and billing management, and are revolutionizing billing and administration practices across the aviation industry.

The solution forms an interface between the operational level and the electronic accounting system, providing support through digital process steps. This enables contract terms to be managed and for services to be recorded, documented and invoiced in full in a completely automated manner – as part of a fully digital process offering complete transparency.



THE GROUND HANDLING SYSTEM IN ACTION:

AN EXAMPLE

The requirements faced by ground handling companies are constantly growing, as customers expect intelligent and user-friendly solutions to meet their needs and have high expectations in terms of quality and versatility. At the same time, competition is also on the rise. For ground handling operators, this means that their processes need to constantly become quicker, more flexible and transparent at the same time. Efficient internal infrastructure is therefore essential for companies.

Transparency and efficiency are particularly important when it comes to contract and billing management, as ground handling companies often offer a wide range of services that are bound by contracts and subsequently need to be billed for.

The GHS contract and billing functions can also be utilised for ad hoc customers that don't have any contractual agreements in place with the ground handling firm.

CASE STUDY:

A ground and cargo handling service provider is responsible for handling 400 airlines at 37 airports in Europe.

SITUATION

The aviation service provider in this case study offers a full range of ground and cargo handling services. These include ground handling services for passengers, ramp and transportation services, the operation of freight terminals and air freight tracking. Keeping track of the many different activities performed and ensuring that all services rendered can be billed completely represents a challenge for the international company. To cover the numerous services it provides at international airports, the ground handling specialist needs a high-performance solution to ensure that all services are billed in full, and that individual billing steps and invoiced services are tracked transparently for the customer.

SOLUTION

EPG's Ground Handling System (GHS) features an automated contract and billing management solution that can fulfil these demanding requirements. User-friendliness, reliability and transparency are important elements – for the service provider and its customers alike. The GHS automatically assigns recorded services to the corresponding contractual terms, taking into account contractually agreed billing models and the applicable VAT rate in the given country. All handling services as well any extra services recorded are then billed digitally and automatically. The billing documents created can then be printed out or sent to the customer by email. The billing data is transferred to the overarching ERP system via an interface. The customer is then able to conveniently check the invoice in the web portal, further speeding up the entire payment process.

FEATURE

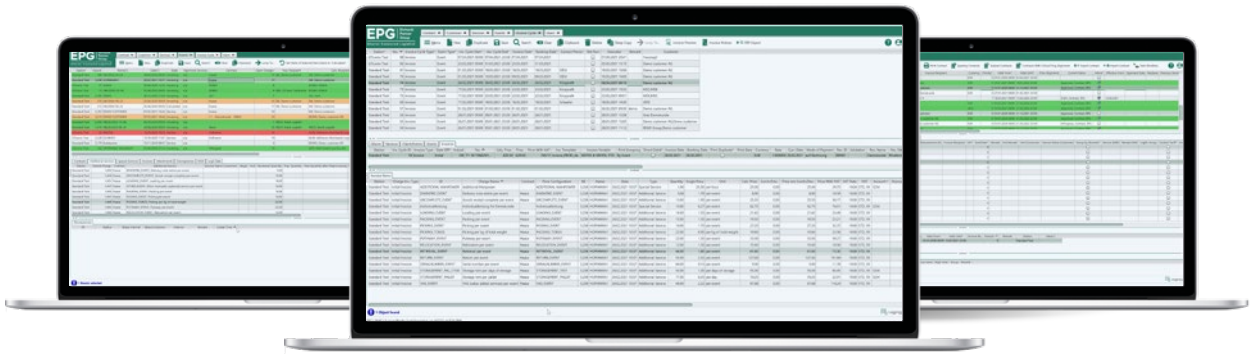
The contract and billing function within the GHS helps service providers to reduce the complexity of contract and billing management for a wide range of services.

The GHS digitalises and organises the contract management process and also takes agreed conditions and services into account. This also includes the creation of individual customer contracts in various levels of detail. Extra services are documented and saved as an annex to the main contract (digital customer file).

BENEFITS

Within a short space of time, the GHS enabled the aviation service provider in this case study to...

- **bill all services provided to its more than 400 customers at different locations in accordance with the contractual conditions stored in the system, as well as extra services, without any oversights**
- **automate its billing processes and reduce its error rate by 99%**
- **increase its billing output (sales revenue) by up to 20%**

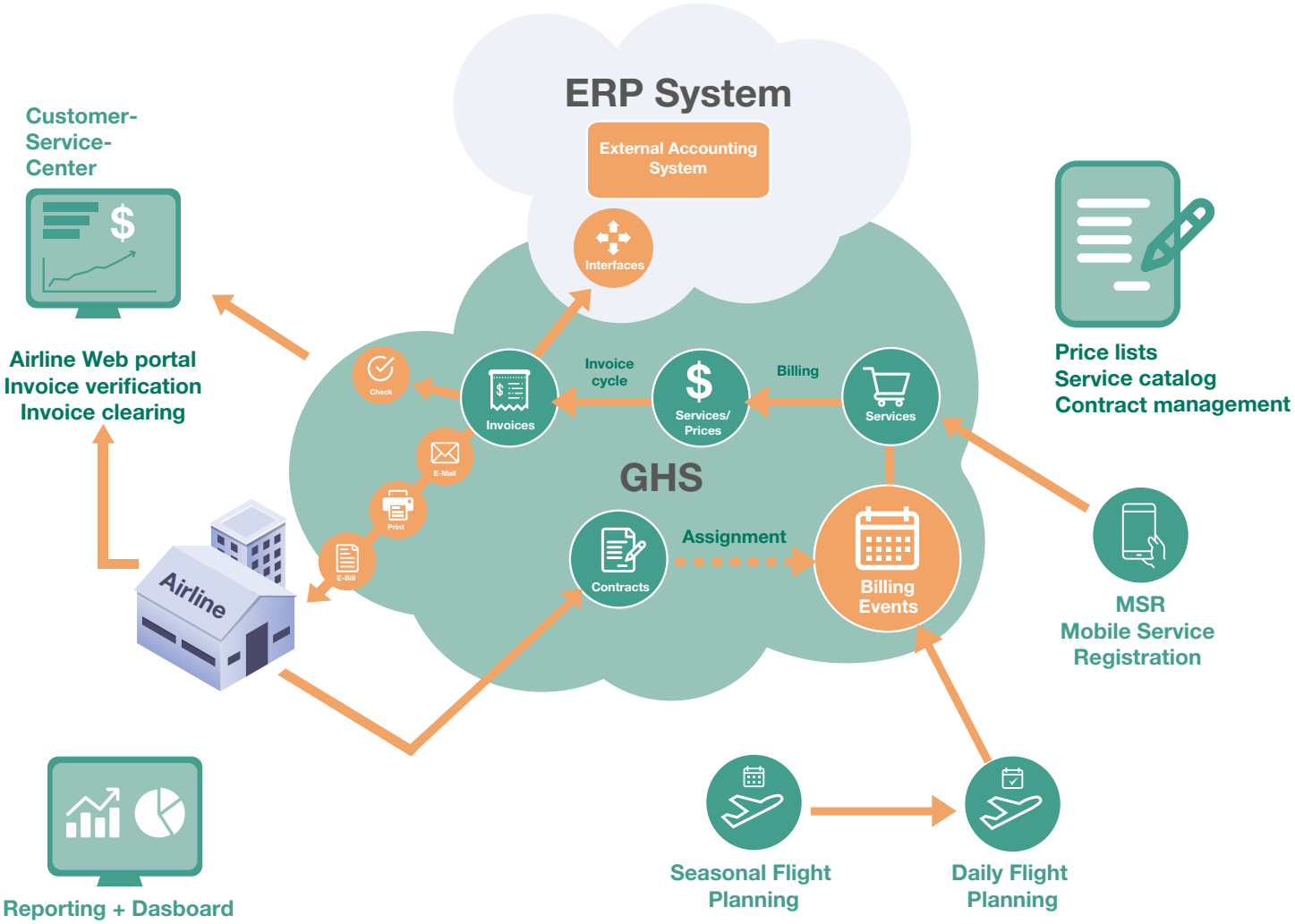


GHS:

AUTOMATED, SMART AND COMPREHENSIVE

The benefits of digital contract and billing management were optimised for the aviation industry by EPG and integrated into the GHS.

As an all-in-one solution covering the entire spectrum of ground and cargo handling services, the tool provides efficient modules for all work and process steps required for digital contract and billing management – from the drafting of contracts and continuous recording of services to contract allocation and automated billing.



GHS OFFERS A

POWERFUL SOLUTION

SMART CONTRACT MANAGEMENT

The GHS features an integrated contract template manager, making it easier to generate contracts. Users are able to easily create their own individual templates to digitally draft a standard ground handling agreement (SGHA), including boilerplate texts for contract preparation. The smart contract management capabilities leverage the AHM catalogues available in the system.

In addition, the GHS supports version management (including revision tracking) and covers the in-house approval process. The system also assumes documentation management for SLAs. As part of the approval workflow, a predefined group of recipients ("six-eyes principle") are sent a link to the contract by email for review before it is subsequently forwarded to the customer. Any proposed changes can be easily integrated using a comment function.

COMPREHENSIVE END-TO-END RECORDING OF SERVICES

The digital solution for contract and billing management records all services rendered across the supply chain, including extra services such as ground power units (GPUs), pushbacks and additional manpower.

Services rendered can be relayed to the software from connected third-party systems or, alternatively, can be recorded and documented directly on the spot in a fully transparent manner. A particular highlight of the solution is its open interface architecture, which allows data to be exchanged with various systems via different channels to ensure a comprehensive billing process. This means that real-time flight data can also be taken into account in the automated billing process.

AUTOMATED PROCESSING OF SERVICES

The ability to record services using a mobile device reduces the manual effort involved. In addition to the desktop version, mobile applications enable services to be recorded there and then on the ramp – both for contractually agreed handling services as well as for extra services. The system is managed centrally but can be used anywhere. The module features standardised interfaces and can thus be linked up with external accounting and ERP systems.

Third-party systems, such as AODB, DCS and resource management systems, can also be easily connected to the GHS solution. Data from these connected systems are thus imported into the GHS system in real time, with services being automatically allocated to the correct contracts. The system also automatically calculates service prices on the basis of a commercial policy that also includes price index clauses for automated price adjustments and foreign currency management.

AUTOMATED BILLING OF SERVICES

The billing process is digital and automated. Bills can be created in bill runs that can be adjusted as required and sent in various paper-based or electronic formats. The GHS contract and billing solution is audit-proof and certified according to IDW PS 880.

Customers can also review bills in the web portal. This helps companies to significantly reduce the number of bills rejected or queried by customers and establish more transparency throughout the entire process.

INTEGRATION IN THE SYSTEM LANDSCAPE

The GHS forms an interface between services being rendered at an operational level and the commercial handling of said services with respect to individual customer contracts. It thus represents a digital link between resource management and the accounting system (e.g. ERP system), for example. It provides a digital pathway from service provision to billing. By using the digital solution, clients can reduce the complexity of their ERP system by avoiding elaborate and costly process adjustments.

WHICH FEATURES

DOES GHS OFFER TO MEET PRACTICAL REQUIREMENTS?

1 CONNECTING TO THIRD-PARTY SYSTEMS

By connecting the tool to third-party systems, companies can access additional sources of data for service processing.

2 CONNECTING TO THE SITA NETWORK

Thanks to the SITA message parser integrated into the solution, incoming messages such as MVT and LDM can be automatically allocated to the flights in question, and the content of the messages can also be read out automatically. This minimises the manual effort involved in recording this information.

3 WEB PORTAL

The integrated web portal ensures that users can check the status of all bills at any time. Customers benefit from a huge increase in transparency.

4 MSR

Thanks to the mobile service registration (MSR) functionality, services can be directly recorded on the spot – and this also includes additional services. Recorded data is fed directly into the GHS.

5 APPROVAL WORKFLOW FOR CONTRACTS

Contracts and services are presented for review in a special view within the web portal. The contract runs through an approval process at operational level based on the “six-eyes principle”.

6 PRINTING CONTRACTS

Users are able to create a standard ground handling agreement using their own contract templates while taking into account the AHM catalogues available.

7 SENDING BILLS BY EMAIL

Bills can also be sent automatically by email.

8 IATA SIS

Optional availability of IATA SIS for electronic transmission of bills in XML format.

9 CSV EXPORT

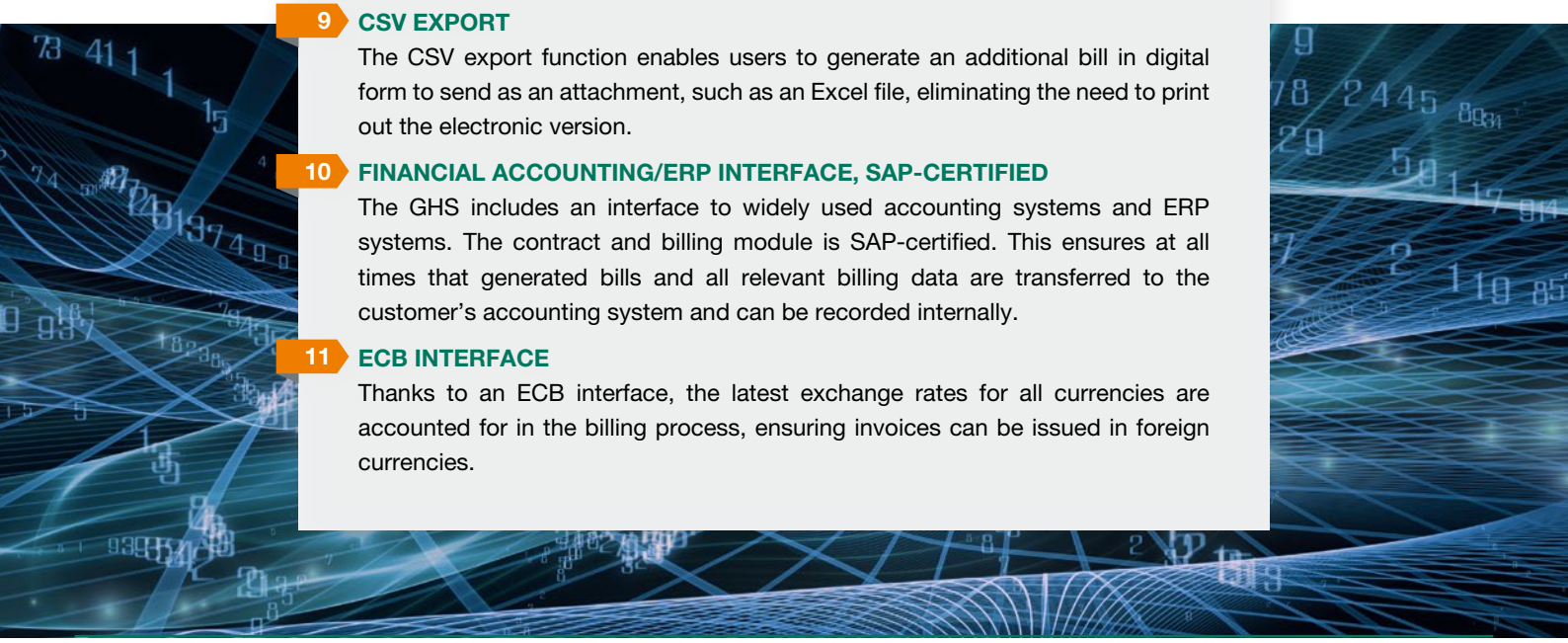
The CSV export function enables users to generate an additional bill in digital form to send as an attachment, such as an Excel file, eliminating the need to print out the electronic version.

10 FINANCIAL ACCOUNTING/ERP INTERFACE, SAP-CERTIFIED

The GHS includes an interface to widely used accounting systems and ERP systems. The contract and billing module is SAP-certified. This ensures at all times that generated bills and all relevant billing data are transferred to the customer’s accounting system and can be recorded internally.

11 ECB INTERFACE

Thanks to an ECB interface, the latest exchange rates for all currencies are accounted for in the billing process, ensuring invoices can be issued in foreign currencies.



CONCLUSION:

GREATER EFFICIENCY AND WORKFLOW AUTOMATION

In modern aviation, the boundaries between the real world and the digital world are becoming increasingly blurred. Thanks to automated and connected processes, digitalisation is not only driving a change in company processes and business models, but also in organisational structures within the world of work. This is enabling companies to respond to developments:

Customer requirements will keep increasing in future, and digitalisation will continue to advance in step with the need for everything to become “faster, better and more complex”.

The ability to automatically import flight data and the availability of interfaces to widely used systems are features that customers simply expect to have. To drive a lasting improvement in customer relationships, companies need to ensure process steps such as invoice verification are as convenient as possible.

Faced with the end-to-end digitalisation of process chains, it’s highly common for companies to initially consider introducing an ERP system. However, they realise very quickly that the standard functionalities of an ERP system are not suitable, or only partly suitable, for the requirements in the given area, and costly individual adjustments could potentially be necessary.

Many companies are seeking solutions to connect the digital process chain between the operational level and controlling without having to introduce a complex ERP system. A digital contract and billing management system is a great solution in both cases. Used either in combination with ERP systems or in connection with conventional accounting software, an automated billing solution can yield significant benefits for service providers in all segments.

Such a system enables companies to generate higher revenues by ensuring that all billable services are accounted for. But that's not the only benefit, as it also leads to greater process transparency, such as improved profitability insights for various customer clusters, and less hassle when invoicing.

Thanks to its smart contract management capabilities, EPG's GHS offers the necessary functionalities to keep pace with changes on the market. All operational processes that form part of the services rendered by the service provider can be invoiced centrally via the system. Companies are also able to offer a simple and practical invoice verification process via the customer web portal, helping to speed up the entire payment process.

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