

IATA Passenger Agency Programme Present and Future

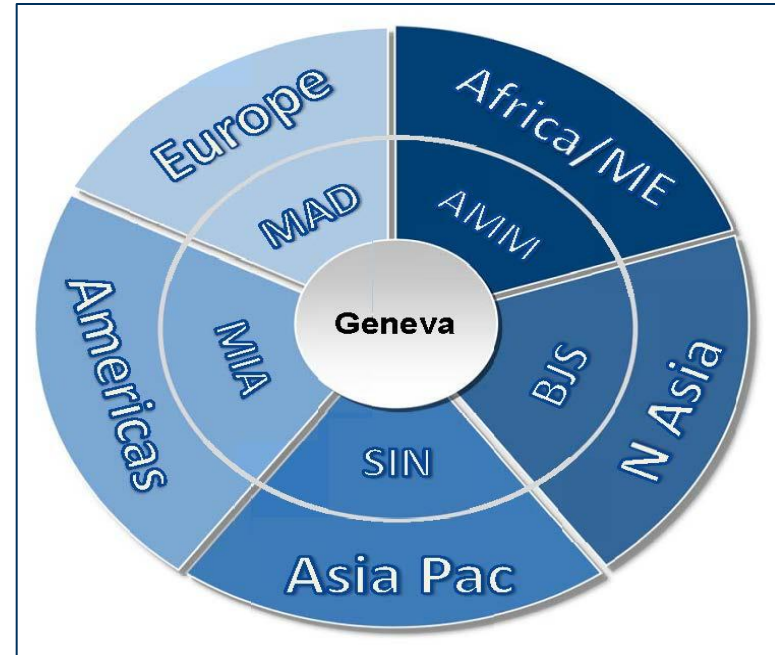
**3rd Summit of
Travel Agencies of Associations**

**Aleks Popovich
Thursday 5th November 2015**



IATA Agency Programme Scale (2014 actuals)

- US\$ 284 Bn annual industry settlement via BSP and CASS
- 181 markets
- 59,516 BSP and 15,389 CASS agents
- 415 BSP and 226 CASS airlines
- 61 clearing banks



BSP Greece

Meeting 2015 market challenges

- **Capital controls**
- **Rapid response interim measures**
- **Structured flexible approach**
- **Restoration of normal cycle**

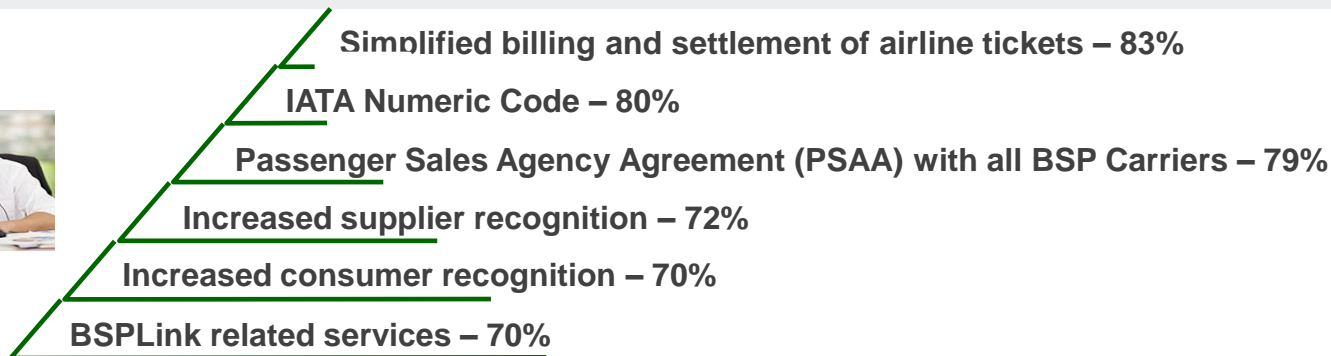


Strengths and Weaknesses of IATA Accreditation

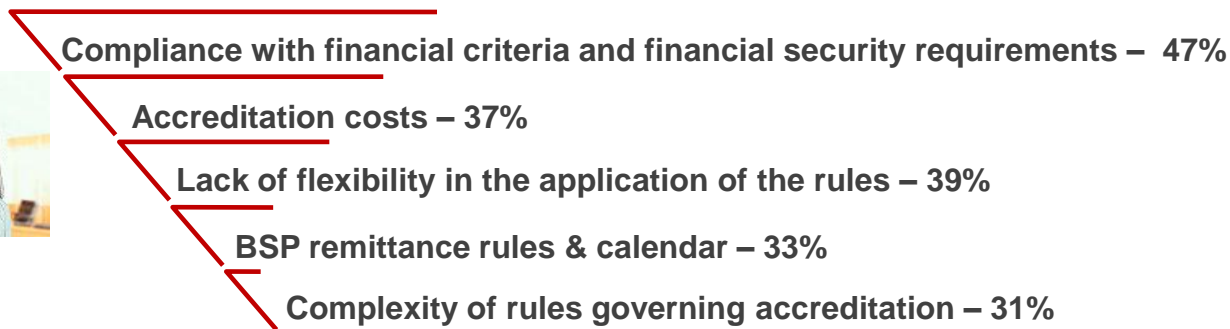
IATA Accredited Agents

On the positive side simplification of airline tickets sales and industry recognition is valued against financial requirements, accreditation costs and loss of flexibility.

Most Value

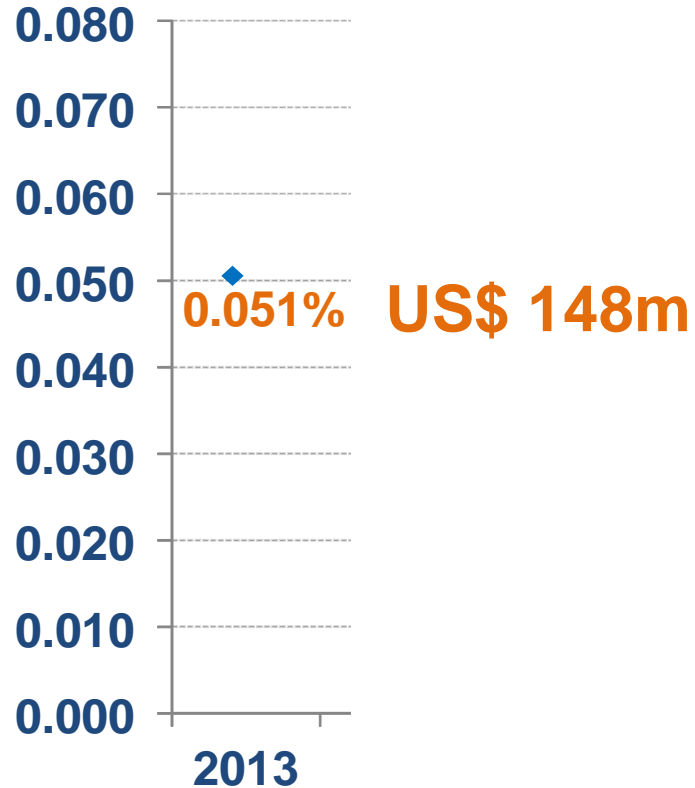


Challenges



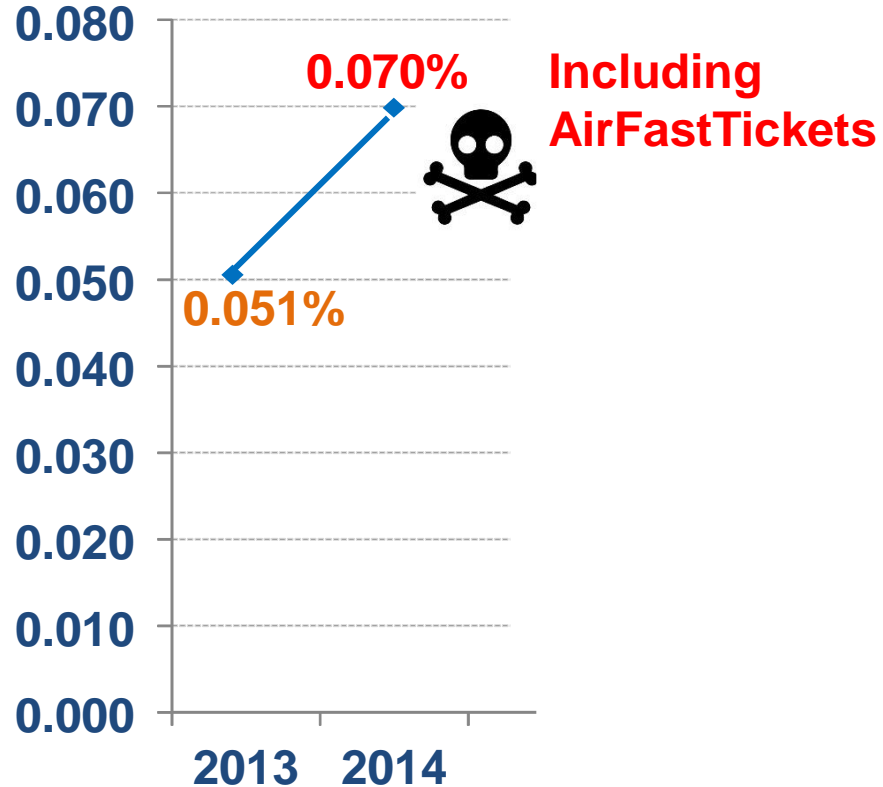
Safer Funds: 2013 performance

% unrecovered debt



Safer Funds: 2014 performance

% unrecovered debt





Modernizing the Agency Programme

Current

- One-size-fits all.
- Same risk management processes for all agents.
- Inflexible approach.



Future

- Agent chooses model relevant to business need.
- Risk profile determines credit.
- Credit management mitigates risk.





Modernizing the Agency Programme

NewGen ISS

1. Three tier accreditation
2. Agent credit limits
3. “Pay as you go”
4. Global default insurance





NewGen ISS

Key elements

1. Three tier accreditation

Tier 1: Multi-country

Tier 2: Standard (with cash facility)

Tier 3: Standard (no cash facility)



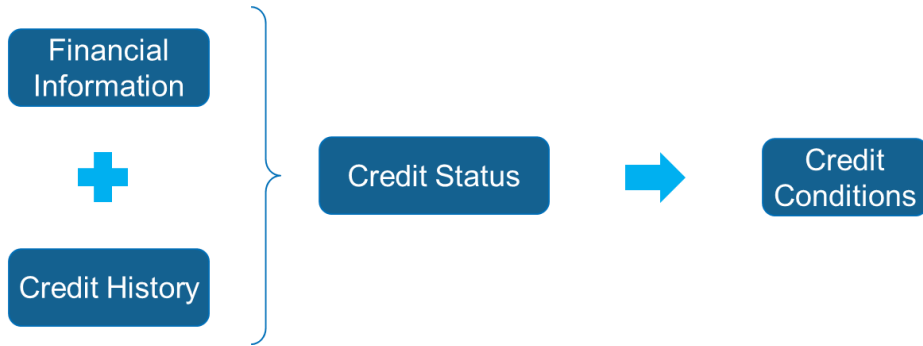


NewGen ISS

Key elements

1. Three tier accreditation

2. Agent credit limits



- For agents with cash facility
- Address today's weakness
- Safer sales beyond limit



NewGen ISS

Key elements



1. Three tier accreditation

2. Agent credit limits

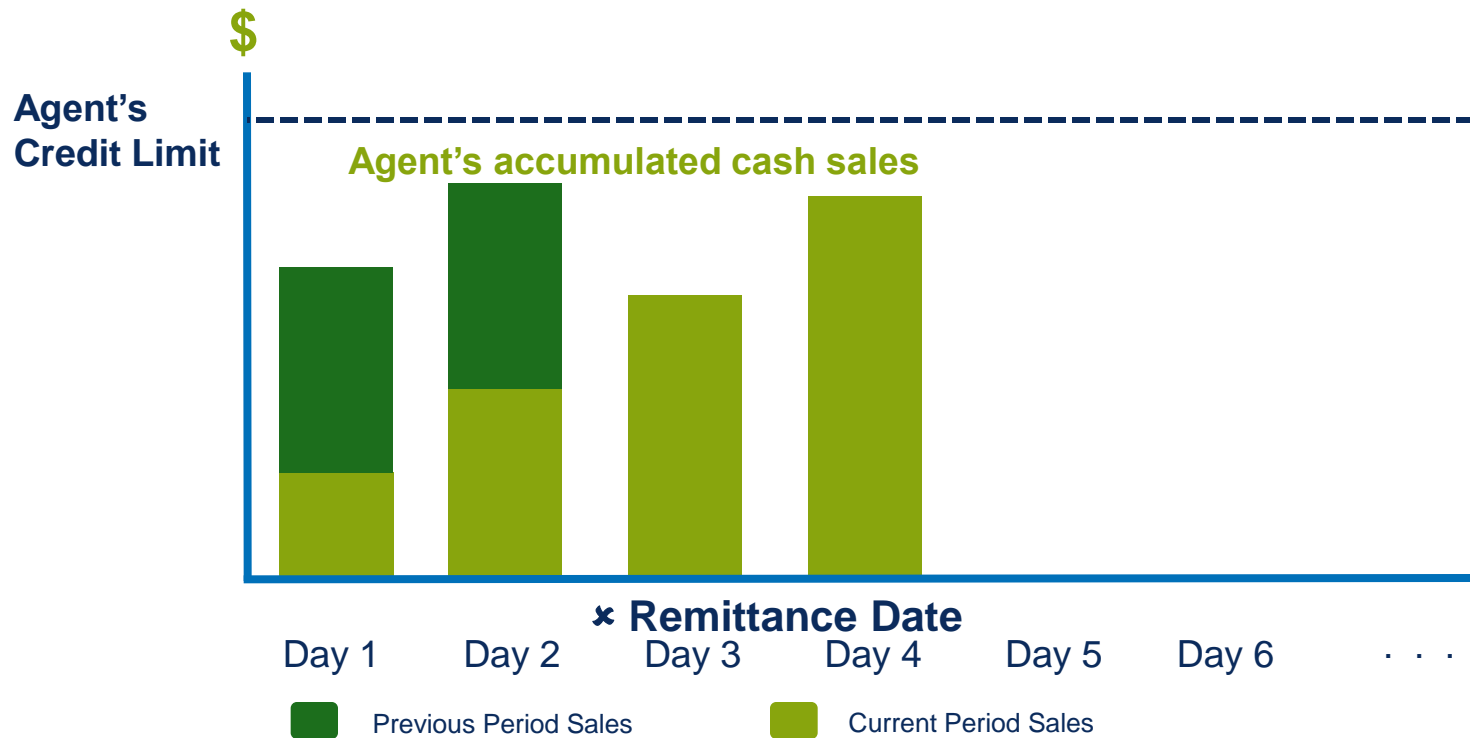
3. **“Pay as you go”**

- Voluntary, new, simple, payment method
- An alternative to cash and credit card
 - for Tier 1 and 2, if credit limit reached
 - for Tier 3



NewGen ISS

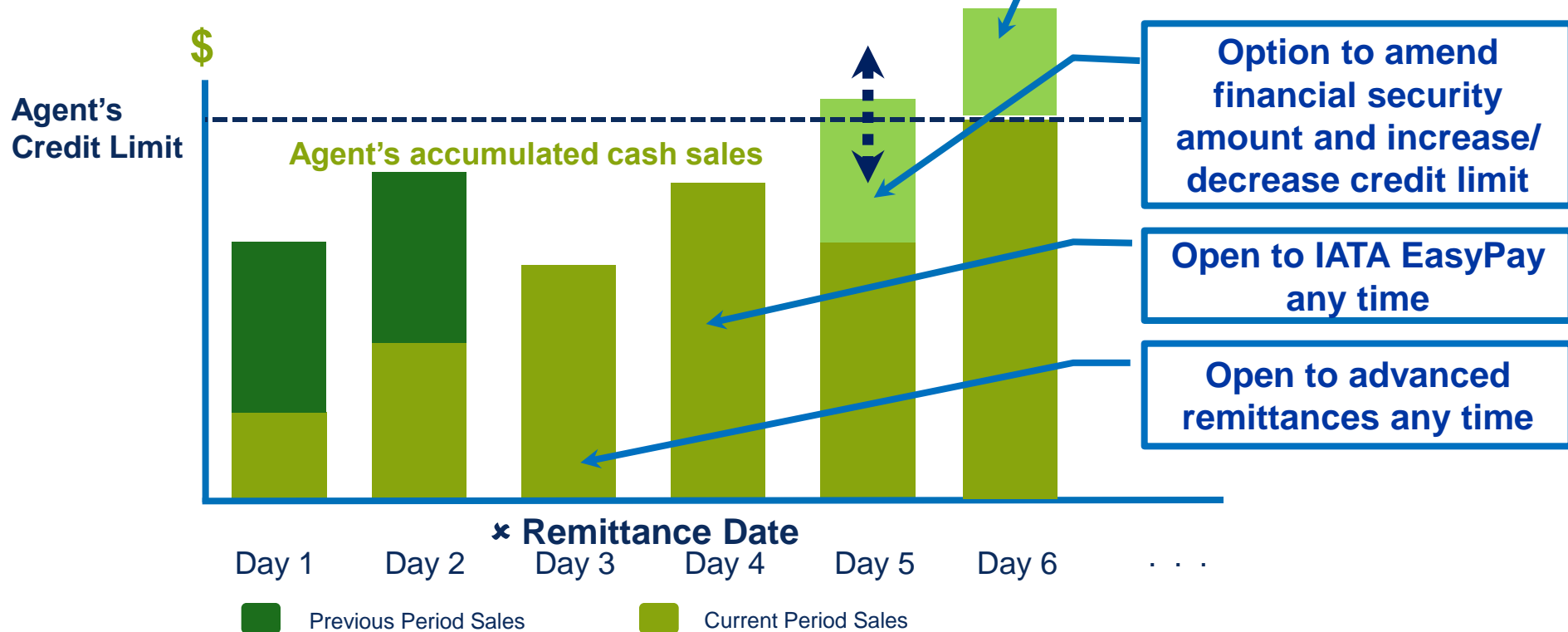
Managing the credit limit





NewGen ISS

Managing the credit limit





NewGen ISS

Key elements

1. Three tier accreditation
2. Agent credit limits
3. “Pay as you go”
4. **Global default insurance**



- New extra financial security type
- Reliable cover at lower cost
- Flexible to quickly adjust



NewGen ISS

Value proposition

Travel
Agents

- **Relevance** to business model
- **Flexibility** to evolve across business models
- **Options** to continue selling / reduce costs

Airlines

- **Relevance** to selling
- **Safer** selling



NewGen ISS

Travel Agent Engagement

1. Three tier accreditation
2. Agent credit limits
3. “Pay as you go”
4. Global default insurance



Travel Agent Engagement to date

- PAPGJC
- Workshops
- Multi country agent CFO 1-1s
- 30 APJCs (42% of BSP markets)
- Proposed Resolutions task force



Modernizing the Agency Programme

Addressing the ADM issue

- Source of significant inefficiency and frustration
- ARC: 45% ADM reduction since 2013!
- IATA: ADMs are c.3 x more than ARC (over 181 markets)
- IATA: Call to action (agent, airline, GDS, ATPCO)



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