Don't just survive. Take the growth trajectory.

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One of the key performance indicators for an airline revenue accountant should undoubtedly be "effective management of processes that positively impact company's cash flow and profitability". This is even more important given IATA's 2009 prediction of a 15 percent nosedive in airline industry revenues.

Clearly, two areas that airline revenue accounting teams should look at to impact cash flow and profitability issues include

1. Identification of actual revenue leakage and prevention of future leakage
2. Maximization of the airline's investment in passenger revenue accounting systems through revenue integrity by ensuring bookings generate real revenue.

It is startling how much money can fall through the cracks. For example, a North American carrier was able to ensure revenue recovery of over USD 10 million! As an industry expert - Peter Grover, Executive Vice President of WNS Global services, mentioned recently, "It seems as though some airlines are putting their money in pockets with a hole in them!"

An estimated USD 16 billion is lost each year by airlines due to revenue leakage through overly complex and inefficient revenue recovery processes. For example, abuse of the pricing structure rules caused by human error, ineffective procedures and lack of process controls can lead to such 'cracks.' The issue becomes magnified because discrepancies can occur throughout the revenue lifecycle which encompasses planning, booking, ticketing, usage and refund processes.

With the focus on both operational excellence and cost reduction, managing large volumes of transactions with the right level of financial and operational control is extremely challenging. Further compounding the challenge is the fact that airlines are often supported by inadequate legacy systems which pose a significant impediment to performance.

However, several airlines are leveraging new technology platforms and innovative approaches to address these challenges. Two examples demonstrate how this trend is taking shape.

Take the case of a leading U.S.-based airline which partnered with WNS to deliver its passenger revenue accounting and recovery processes. Within a few years of outsourcing, the airline was able to soar from the bottom of the U.S. Department of Transportation's complaint statistics for refunds to emerge at the top. Notably, this was accomplished while reducing refunds-related customer complaints by 55 percent.

WNS's airline revenue recovery solution, VERIFARE®, identified revenue leakage, and monitored compliance. At the same time, comprehensive audit procedures increased revenue process controls. Potential violations were manually reviewed by WNS's airline industry specialists for quality assurance before Agency Debit Memos (ADMs) were issued.

Another example is that of a leading Caribbean airline which adopted an innovative approach to passenger revenue accounting. They implemented a fully managed service by partnering with WNS, eliminating the need for infrastructure, software license fees or personnel. By outsourcing its

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passenger revenue accounting process, the airline was able to reduce its operational costs by approximately 30 percent year-on-year. As a result, the airline's revenue potential increased by a significant reduction in turnaround times in inward billing, successful implementation of weekly outward billing cycles and increased transparency by consistently ensuring matched revenues.

In these challenging times, where growth is extremely hard to come by, the least that airlines can do is to ensure every dollar they earn is accounted for and realized. Adopting new approaches to airline revenue recovery – be it a new technology platform or a fully managed solution – needs to be deployed to ensure survival.

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