1. **Working Group Name**: Third-Party Commissions

2. **Approval Requested**
   - New working group (approval)

3. **Chairperson(s)**
   - David Cabreza, Director International Distribution Services, Hilton
   - TBD

4. **Board Liaison(s)**
   - David Cabreza, Director International Distribution Services, Hilton
   - TBD

5. **Date of Request**: 12 June 2017

6. **Requested Charter Length**: 24 months

7. **Vision.** The Third-Party Commissions Working Group will enable hotels, third-party bookers and related parties to have an accurate and shared understanding of the details and status of their bookings and commission claims. Stakeholders in the booking and commission payment process will more efficiently communicate relevant and necessary information, make and receive timely payments, reconcile records across related parties, measure performance, and resolve missing and disputed payments.

8. **Mission.** The mission of the working group is to help industry stakeholders improve the transmission, acceptance and use of more complete and accurate booking and payment data, and to help address the systems limitations and processes that hinder the efficient flow of full information.

9. **Business Problem.** The booking, stay and payment data recorded by hotels and third-party bookers often have numerous discrepancies between systems, causing significant problems for tracking bookings, reconciling payments and accounting for production. These differences have various causes, including systems limitations and disjointed systems, archaic business processes, manual work-arounds, user errors and a lack shared understanding and objectives across all parties. Regardless of the cause, such discrepancies create substantial, unnecessary work for relevant parties to resolve resultant inquiries and disputes.
10. **Objectives**
   - Build upon the 2016 Payments Sub-Working Group’s discussions and documentation of commission-related payment challenges, constraints and recommendations.
   - Document all booking and payment data deemed by relevant parties to be necessary or beneficial in the booking and commission payment process
   - Generate educational and training content, including best practices for hotels, agents, GDS and switch companies.
   - Help coordinate related parties to develop the systems and processes necessary for improving booking data quality and consistency across all platforms.

11. **Deliverables. Subject to discussion and confirmation by Working Group participants:**
   - Working Group formation and charter (June 2017)
   - Internal HEDNA communication of the Working Group formation (June 2017)
   - External industry communication of the Working Group formation (July 2017)
   - Publication of best practices for hotels and agents (October – December 2017)
   - Internal HEDNA circulation of a White Paper Draft (January 2018)
   - Publication of a comprehensive industry White Paper (March – April 2018)

   Expected White Paper and/or Best Practice topics include:
   1. *Commission Complexities.* Overview of issues and solutions regarding direct billing and deducting commission at source, VAT and other taxes, tax invoicing and hotel self-billing opportunities.
   2. *Communicating Rate and Commission Information.* How to maximize hotel sales by enhancing the commission-related information in distribution channels.
   3. *Making Bookings.* How to improve the booking process, reconciliation accuracy and accounting efficiency, including the handling of passive segments.
   4. *Paying Commissions.* How to improve the commission payment process and reported information, including how to maximize property performance ratings.
   5. *Reconciling Payments.* How to improve the matching of reported guest stays and commissions against bookings and expected commissions.
   7. *Meetings, Incentives, Conference and Events (MICE).* How to manage the complexities of commissions for MICE bookings.

12. **Future Phases.** We expect to complete all objectives within the initial charter period and will submit a charter extension request if the working group identifies additional objectives that would require work beyond the initial period.
13. **Issues / Concerns.** None.

14. **Meeting Plans.** This working group aims to compress the time in between meetings in order to attain some quick wins, maintain momentum and achieve overall objectives, while reducing the longer-term commitment of its members.
   - *In-person meetings*
     - June 2017, HEDNA Dublin
     - November 2017, WTM London (potentially)
     - January 2018, HEDNA Austin
     - June 2018, HEDNA Lisbon
   - *Conference calls*
     - Weekly: June 2017 to September 2017
     - Bi-weekly: October 2017 to December 2017
   
   At January 2018 HEDNA conference, the working group will agree the schedule up through the June 2018 conference.

15. **Deviation from Working Group Norms.** None.

16. **Working Group Composition.** Participants should have the capacity and willingness to represent their organizations, and to participate in working group meetings and calls to the extent possible (as above).

   **Required Participants:***
   - *Hotel chains (min 3):* Accor, Hilton, IHG, Marriott/Starwood, others
   - *Travel Agencies (min 3):* Amex, BCD, Booking.com, CWT, Expedia, HRG, HRS, others
   - *GDS and Switch Companies (all):* Sabre, Amadeus, TravelPort, DHISCO
   - *Payment / Reconciliation Companies (min 1):* Onyx, TACS

   **Desirable Participants:***
   - Oracle (PMS), others
17. **Project Plan.** Subject to discussion and confirmation by Working Group participants:

- Working Group formation and charter (June 2017)
- Internal HEDNA communication (June 2017)
  - Working Group formation
  - Call for input
- Kick-off meeting (13 June 2017)
  - Ensure general consensus regarding the vision, mission, objectives
  - Confirm/agree deliverables
  - Agree scope and topics
  - Assign topical leads
- External industry communication of the Working Group formation (July 2017)
  - Solicitation for industry involvement
  - General PR
- Development of Best Practices (July 2017 – December 2017)
  - Draft outlines prepared by topical leads (July)
  - Draft outlines circulated for input amongst working group participants (July)
  - Draft documents prepared by topical leads and sub-groups (August - September)
  - Draft documents circulated for input amongst working group participants (September-October)
  - Feedback incorporated, (October-November)
  - Final documents circulated for review by working group (October – December)
  - Feedback incorporated, documents submitted for legal review (October-December)
  - Publication (dates tbd)
- Address potential systems changes (July 2017 – January 2018)
  - Identify any systems changes or recommendations with broad impacts (July – January)
  - Discuss and develop action plans with working group (July – January)
  - Implementation of action plans (tbd)
- Development of White Paper (December 2017 – April 2018)
  - Compilation of White Paper components (December – January)
  - Outline / working draft circulated and discussed (HEDNA Austin, January)
  - Draft document prepared (January - February)
  - Internal HEDNA circulation of a White Paper Draft (January)
  - Feedback incorporated, documents submitted for legal review (February – March)
  - Publication (March – April)