



THIRD PARTY COMMISSIONS

December 4th, 2017

Presenters



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Agenda

- Commissions Working Group
- Industry Overview
- Practical Guidance
- Process Improvements
- Open Mic

Third Party Commissions Working Group

Vision and Objectives

Enable hotels, bookers and related parties to have an accurate and shared view of the status of their bookings and commissions.

Stakeholders will more efficiently:

1. Communicate relevant and necessary information
2. Make and receive timely payments
3. Reconcile records across related parties
4. Measure performance
5. Resolve missing and disputed payments

- Document relevant booking and payment data
- Publish educational and training content
- Help coordinate related parties to develop the systems and processes as needed

Industry Overview

Overview

Agencies

- Book 1,000 to 10,000 hotels every year (dependent on agency size)
- Average commission payment is \$50
- Not all agencies have an active chasing process

- Cost components (in-house)
 - Data entry
 - Accounting
 - Clearing costs
 - Handling
 - Currency conversions

Hotels

- Booked by 500 to 15,000 agencies annually
- Most hotel properties do not pay commission unless chased (but most of the high volume chains do)

- Cost components (in-house)
 - IATA Recipient data
 - Bank solution (check and wire)
 - Currency conversion
 - Customer support

Practical Guidance

High-Level Best Practices

- Make sure your booking process captures all bookings
- Secure supporting details (e.g. confirmation numbers, rate codes, commissionable, booking channel)
- Establish solid reconciliation and inquiry processes
- Know your performance

For Hotels

- Automate your payment process
- Include all stay data (cancels, net rates, no-shows)
- Upload structured commission data in the GDS for all rates
- Publish your commission policies
- Establish robust support and inquiry processes



For Travel Agencies

- Consolidate your payments
- Reduce bank charges and inefficiencies
- Have an active collections process
- Know your partners
- Book higher-performing hotels

Process and Systems Enhancements

1. Commission Info in the GDS's

- Commissionable status
- Definition of commission to be paid
- Commission estimates for bookers

2. Non-Electronic Bookings

- Standardized format for GDS passive segment bookings

3. Rate Access Codes

- Simplification and rationalization
- Co-ordination between stakeholders

4. Regulatory and Other Resources

- Documents and links regarding commission
- Taxation and invoicing information

Open Mic

Open Mic

- Questions?
- Join the HEDNA working group:
 - HEDNA.org → “WHAT WE DO” → “Working Groups”
 - https://hedna.site-ym.com/page/commissions_wg_chart