



“With Sirax we were able to simplify our IT infrastructure, resulting in lots of benefits in terms of cost and efficiency.”

Elena Cherubini
Head of Revenue Accounting, Alitalia

Alitalia and Lufthansa Systems:

Significant savings in core airline processes

Sophisticated IT solutions have a huge potential to improve airline efficiency at all levels. When it comes to revenue accounting and flight planning, Alitalia has been relying on the expertise of Lufthansa Systems for many years.

Revenue accounting is a crucial area of airline finance. Recording, monitoring and finally collecting the payments is critical for business success. Commissions and discounts need to be controlled, tax and fares to be audited. Accounting rules are usually very complex, and in a world of airline alliances and code sharing, handling of interline invoices is increasingly important. The overall speed of the process has a direct effect on an airline's cash position as well as its ability to correctly assess its commercial success and to make the appropriate decisions.

It was in 2006 when Alitalia planned to switch to a new revenue accounting system. After analyzing several potential options the Italian carrier decided that Sirax from Lufthansa Systems is the solution which best meets its needs. “The main aspect for us was that we wanted a system which works in real-time, so we can be sure that we are always in line with this fast-moving industry”, says Elena Cherubini, Head of Revenue Accounting at Alitalia. “As Sirax is a product which has been developed by a European company, we knew that it would be easy to customize it in order to meet our accounting rules and regulations. Other systems we analyzed could not do that.”

Airlines that use Sirax benefit from more than twenty years of experience Lufthansa Systems has in the field of revenue accounting. Sirax optimizes the entire process of back-office accounting and delivers precise and comprehensive planning and controlling information that becomes the basis for management decisions.

Easy retrieval of information

Optimized processes, state-of-the-art software, and effective technology provide an ideal information base for all control systems and exact revenue information/accounting values. Thanks to advanced methodologies for analysis and evaluation Sirax leads to sizable economic benefits. Information can be aggregated on any level the user requires. This makes working with Sirax very efficient as data can be retrieved easily. “You can always understand what has happened. There are no black holes. This is very important for us”, emphasizes Cherubini.



Another point she highlights is the fact that Sirax is an integrated solution. In the past Alitalia has used separate systems for revenue accounting and for credit card settlement. Having everything together in one modular solution with a great degree of flexibility has proven to be a significant improvement.

After the decision for Sirax was made in 2006 the migration took exactly nine months. It was part of a larger reorganization within the company. Cut-over was in August 2007. "Today we are happy with Sirax and we have achieved a significant improvement in the quality of our processes," says Elena Cherubini and stresses that the system replaced by Sirax was already one that Alitalia was very satisfied with. Not only did Sirax help to improve the process, it proved to be cost efficient as well. Cherubini estimates that it helped Alitalia to lower costs by at least 20 per cent.

Since 2007 Lufthansa Systems and Alitalia have done a couple of important revenue accounting projects together, the most important being the introduction of the Simplified Interline Settlement (SIS), where the Italian airline was the pilot user. "Our cooperation was always very good, but this was the climax of our relationship so far. We considered it a common project and worked on it as one team," Cherubini recounts.

Efficient flight planning paid off quickly

However, the fruitful relationship between the two companies dates back much longer. While Sirax was an already proven solution, Alitalia was among the first airlines to introduce Lufthansa Systems' ground-breaking flight planning solution Lido/Flight. It is one of the most powerful and effective flight planning and dispatch solutions worldwide. It is used by a growing number of airlines around the globe.

"Before introducing Lido/Flight in 1996 Alitalia had dispatch offices around the world. Lido/Flight made it possible to concentrate all of their tasks in Rome. So the investment paid off very quickly," recalls Davide Bardelli, Assistant Flight Dispatch Manager at Alitalia. And it still delivers significant savings every day. Using highly sophisticated optimization algorithms it calculates thousands of possible routes for every flight whilst taking actual en-route weather and airspace situation into account in order to find the most efficient one. This leads to fuel savings of up to five per cent, which at current fuel price levels means more than 1.5 per cent lower direct operating cost.

The computer can do in minutes what would take a human being several days – calculating hundreds of possible routings in order to find the optimum solution, be it shortest flying time, lowest cost or lowest fuel consumption. Thanks to the TFR module partly restricted airways will be considered, opening even more options.

When compiling the most efficient routing, Lido/Flight automatically optimizes ETOPS flights according to the specific safety regulations and the individual certificate of the airline. Relying on the Lido Aeronautical Database the solution considers

all valid flight restrictions that are NOTAMs. So it comes as no surprise that leading airlines around the world rely on Lido/Flight to plan their flights. In Europe for example, more than 45 per cent of flights are calculated with Lido/Flight.



For flights within Europe, Alitalia makes use of the high level of automation of Lido/Flight. For long-haul flights, however, the dispatchers of Alitalia prefer to be more involved, which is easy because the solution offers lots of options for easy and highly productive interaction. So how does the performance and usability of Lido/Flight compare to other solutions? "Actually, we don't know. Our dispatcher feel so confident with this solution that it has become part of our DNA", says Bardelli.



Lufthansa Systems

IT that makes your life easier

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