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MIBAR Delivers Smarter, Faster Billing Process for Airport Terminal

Geography

New York

Industry

Transportation & Logistics

Software

NetSuite

Executive Summary

John F. Kennedy International Airport's Terminal 1 is one of the most frequently used gates at the United States' most popular airport for international travel. Handling a healthy portion of the 33 million international passengers who pass through its gates annually, this popular terminal offers on time departures and an inviting atmosphere.

What makes JFK and each of its terminals unique from other New York-area airports is the way it operates. Rather than operating under the direct control of the Port Authority, each terminal is owned by an airline or consortium. For Terminal 1, under direction of a consortium of carriers known as Terminal One Group, the process of keeping everything organized and under control is a science.

While Terminal One Group is able to manage flights, services, and shops with ease, the challenge came later: keeping track of billing, receivables, and collections.

Paper Problems Cause Collections Challenges: Life before MIBAR

Handling the needs of the four partner airlines and seventeen contract carriers, Terminal One Group needed an easier way to bill for flights out of the terminal, passengers out of the terminal, and ancillary services provided to its customers.

Unfortunately, the company was relying on paper-based processes to do so, resulting in the months-long delays, inaccurate billing, and problems for the company's revenue streams. The challenge was two-fold: Billing airlines for services provided and acting as a landlord for the dozens of businesses operating within the terminal.

In working with the airlines, Terminal One Group needed to track their contracts, track changes in pricing over the life of the contract, and track the delivery of services.

Pricing structures and increases to fees differed with each airline; some would see annual percentage increases while others would see nominal increases.

If this wasn't challenging enough, the company also needed to play the role of retail manager. Roughly 20 percent of the company's revenue came from the operation of shops, restaurants, and facilities, in which fees were charged to the retailers as a percentage of sales. These pre-negotiated fees scaled with the volume of sales for each business. Calculating this constantly changing percentage and comparing it with the minimum annual guarantee on paper was both time consuming and inaccurate, requiring a lot of work for a small portion of revenue.

Solving the Challenge: MIBAR Creates NetSuite Solution to Manage Complex Needs

During our discussions with this company, we identified their needs and began to develop a solution.

Our approach was twofold: First, we developed a contract management interface that allowed an easy way to key in contracts in legal form, track billing, and escalate rates over the life of the contract.

MIBAR Customizes Contract Management to Handle Unique Airline Needs

One of the biggest needs of the company was that they needed a system to manage pricing, invoice generation, and billing that was tailored to each contract that exists and intelligent enough to handle the changing needs written into the contract.

To solve this, MIBAR developed a unique contract management solution to handle their needs and processes. This was built to handle complex contracts the terminal had with airlines and with this in mind, the first step was to develop an interface within NetSuite ready to handle the contracts.

A Flexible and Easy to Use Contract Management System

End users could then enter information using the building blocks presented in the contract. For example, a user could easily add a contract with Air France and segment billing by the specific service provided for an A330, A380, 777, or 787.

From here, we took their other main need, contract escalation, and built a logic-based program to make this process easy. Now, at the beginning of a contract, a user could easily enter the percentage or dollar amount increase that will occur each year and this will automatically adjust when needed.

Added to this, we included the flexibility to adjust for other factors such as a minimum wage increase or the like. Finally, we made it even easier to document the inventory used and present it to a customer, not only making it easy to provide customers with an itemized invoice, but one that matched the exact language of the contract.

Customer Portal and PowerApps Drive Home Ease of Use

To make it easier for the airlines, the MIBAR team also implemented the NetSuite Customer Portal. Now, rather than sending a form to the terminal, the airline could simply log into the customer portal, directly enter information, and receive the invoice with the correct pricing.

For those needing ancillary services including forklifts, air conditioning, a generator, de-icing, or the like, MIBAR developed an easy-to-use product for remote order entry. Using PowerApps, we incorporated order entry and signature capture into an app to allow an airline manager to request services from a mobile device.

With this PowerApps solution, a manager walking around the terminal can request items and quantities, sign off on the request, and even send it through a workflow for additional approval. This will automatically route into the customer portal and generate the invoice, making it easier for all parties to work together—no back-logs, no manual data entry.

Connecting Shops, Restaurants, and More to Simplify Sales Calculations

The final element that Terminal One needed was solution designed to track sales from the numerous businesses that existed across the terminal. With nearly fifty entities including two dozen restaurants, two spas, and more than twenty retail locations, tracking what each tenant owed made for a challenge.

The MIBAR team worked with Terminal One to implement the Customer Portal, allowing each tenant to log in each month, enter the quantity, and let the powerful NetSuite system do the rest. Tenants can easily see what they owe for the month based on what they sold. From here, the terminal can automatically generate an invoice incorporating both the minimum annual guarantee and tiered cost structure. After a year, minimum annual guarantees will automatically adjust based on the agreement.

Results: More Savings, More Visibility, More Control

For Terminal One Group, this provided an immediate benefit for users, reducing the amount of time spent chasing around documents, fixing errors, and trying to manually enter and change inputs. This automated solution gave users visibility, control, and major cost savings, allowing the company to track every input to provide an accurate and timely invoice for clients.

Now with automatic calculations, the terminal can bill more accurately, collect more money, and even serve its clients more effectively. Savings were substantial and now, the terminal is working faster and billing more. By leveraging NetSuite more effectively, Terminal One was able to simplify the billing and collection process, allowing their people to focus more on what matters—serving the millions of travelers heading through the gates each year.

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