



Hotelbeds Spain

Integrated payment and liquidity solution delivers control and efficiency

Hotelbeds' Finance Service Center (FSC), also serving the Spanish subsidiary of TUI Travel PLC, provides incoming travel services to travel professionals and over 25,000 resorts worldwide.

The challenge

In late 2007, following increased business volumes and several banking interfaces, Hotelbeds decided to overhaul its financial processes, which relied on multiple banks, to increase automation, consistency, and security. The company's goal was to fully automate its treasury and ERP integration in order to standardize internal processes and improve working capital liquidity. Specifically, Hotelbeds wanted to use a consistent market-standard infrastructure to make payments to over 80 countries, and automatically fund them through its liquidity structure. The company also intended to use the IDoc SAP file format with digital signature and MT940 for financial reconciliation.

The solution

Citi was selected as their banking partner early in 2008 – based both on the strength of the detailed analysis and solution for how to best meet Hotelbeds' needs in multiple countries and on Citi's track record in successfully

delivering an integrated treasury solution for a major Spanish airline.

Citi opened EUR, USD and GBP accounts for Hotelbeds' main entities in Spain, France, and the UK. These accounts were linked to a domestic target balance at local country level and a cross-border target balance at the regional header account in London.

Citi integrated its wire transfers and WorldLink® payments solution with Hotelbeds' XRT treasury system and digital signature for maximum security. Payments were automatically routed through the correct channel using Citi® File Xchange and reporting and reconciliation statements were automatically delivered using consistent MT940 messages. In addition, accounts payable and receivable were integrated with the company's SAP system using the IDoc format.

The result

The implementation of Hotelbeds's new payment and liquidity structure began in March 2008 and was

completed in August. The company's direct debit collection for the UK and France is expected to go live shortly with new countries being added in the coming months.

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“Hotelbeds has gained a secure environment for mass payments through one channel, creating excellent STP efficiencies,” says Jorge Sabater, Head of Finance Service Center at Hotelbeds. “Our visibility and control has improved markedly, eliminating concerns about fraud. Hotelbeds now has liquidity efficiency across all countries through automated sweeps across euros, dollars, and pounds sterling, and automatic funding for payment.” In addition, Hotelbeds has enjoyed a reduction in banking fees and now has a transparent price schedule without float being taken.”