



The Client

A travel wholesaler working with more than 900 travel trade partners globally.

The Challenge

This client was undergoing a period of rapid growth, which was putting enormous pressure on the financial processes with their network of suppliers. The business was faced with the challenge of ensuring that suppliers received timely payments and adequate service levels, thus protecting the working relationship.

The Result

With a new, secure financial process in place, the operator maintained strong retention of suppliers and increased profitability. They achieved cost savings of 30% and estimate that overall productivity increased by 50%. The new process freed up the time of the client's finance team, which allowed them to take on more strategic tasks and support the organisation's growth.



Case Study: Finance Processes

How did Open Destinations increase the efficiency of the client's finance team?

The Open Destinations Business Support team developed a new process for reconciling invoices that ensured that suppliers were paid in a timely manner. This enabled the client to achieve a cost savings of 30% and a 50% increase in the overall productivity.

Automation of Invoicing

To speed up the transaction time, the Business Support team ran a daily check between the invoiced amount and the expected amount. The Travel Studio system then generated a daily report which quickly flagged up any discrepancies.

From this point, any correct invoice amounts were automatically sent to Sun Accounts for payments, ensuring that suppliers were paid on their scheduled payment dates. Any discrepancies were then handled quickly by the Business Support team, by sending an email to either the supplier or to the loading team to ensure that corrections were made.

Attention to detail

The Business Support team became responsible for handling approximately 90 percent of the daily supplier communications regarding supplier invoicing. This involved daily email communication with suppliers in more than 500 locations.

This approach required the Business Support team to have a working knowledge of finance in various countries, ensuring that they could quickly resolve queries. Each team member underwent extensive training for the processes around FIT and group bookings, to ensure that they have an understanding of the critical business issues relating to the invoicing process for a travel company.

Timely reporting & communication

The client received a daily email with a work update, as well as weekly and monthly summaries outlining key business challenges and productivity. This new process allowed each team member to reconcile approximately 300 transactions per day, which ensured that thousands of suppliers received prompt reporting and payments in accordance with their individual payment cycle.

INVOICE RECONCILIATION PROCESS

INVOICES CHECKED FOR ACCURACY

The Business Support team monitors the daily correspondence of invoice mails received from suppliers. All supplier invoices undergo basic integrity checks, before being saved into a designated database to ensure that they are ready to be imported into the Travel Studio system.

INVOICES LOADED INTO SYSTEM

Supplier invoices are imported into Travel Studio on a daily basis and the system runs a comparison of the invoiced amount vs. the expected amount. All correctly invoiced amounts are automatically imported into the system and then sent to Sun Accounts for payments, ensuring that suppliers are paid on their scheduled payment dates. For any discrepancies in the invoices, a separate report is produced, which is called 'failed transaction report.'

ANALYSIS OF INVOICE DISCREPANCY

The Open Destinations team now investigates the reasons for the discrepancies between the two invoice amounts. This discrepancy could be due to hotel rates being incorrectly loaded in the system, or a mistake with the supplier invoicing. An email is sent either to the supplier or to the loading team to ensure that corrections are made. This ensures that any issues are addressed in a timely manner and will not result in loss of business.

QUERY & ESCALATION OF ISSUES

Team members then work to resolve the issues and will contact either the supplier or the client. In most instances, the issue is resolved directly with the supplier. However, if there is an issue such as a dispute in the hotel contract, this will then be escalated to the client to be resolved directly with the supplier.

Invoices checked for accuracy

RECONCILING INVOICES

The Business Support team monitors supplier invoices and checks for accuracy. Invoices are then loaded into the Travel Studio reservations system and the client makes payments to suppliers in a timely manner.

Invoices loaded into system

Analysis of invoice discrepancy

ADDRESSING ISSUES

A report is generated, showing any discrepancies. Team members contact the supplier or the client directly to address rates and invoices that were wrongly loaded.

Query & escalation of issues