

Hosted by:



---

The world's leading provider of  
hospitality technology solutions  
for commission payments,  
reconciliation  
and billing for hotels and travel  
distributors.

10/17/17



Payments Trends and Future Best  
Practices in the Hotel Sector

# Webinar 2: B2B Payments

# Mike Carlo

Global Head of Payments, Onyx CenterSource



- Helping transform Onyx CenterSource from the industry leader in commission payments to the leader in business-to-business payments
- A finance and business development expert with nearly 30 years' experience, having worked at Transpay as global head of travel payments, WEX Inc. as head of travel solutions, and PricewaterhouseCoopers in a variety of financial advisory capacities
- Serves on the Board of Directors of the Hotel Electronic Distribution Network Association, HEDNA, and chairs the global hospitality payments working group

# Rachel Neal

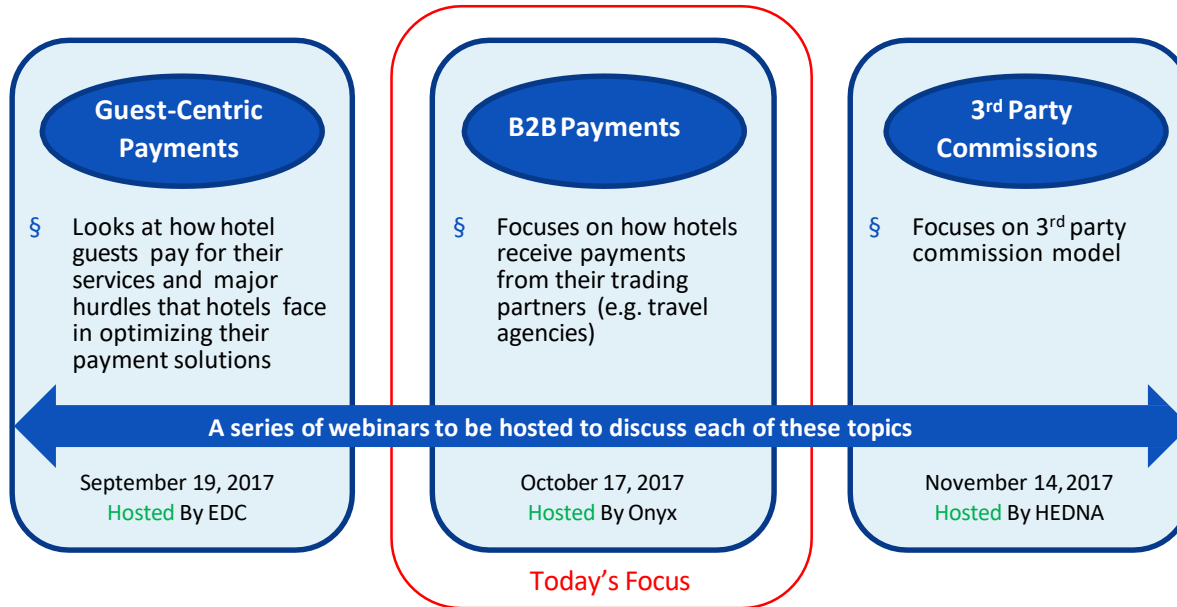
VP of Connectivity, DerbySoft LLC



- Began in this industry as a Programmer/Analyst at Pegasus Solutions and moved through IT
- Once Travelweb was spun off, she navigated into Sales/Solutions Engineers type positions through Cendant, Orbitz, Pegasus (2nd time around), and now at DerbySoft
- Loves the hospitality technology industry and enjoys the challenge of taking on those "unconnectable" companies and making them fit

## HEDNA's whitepaper addresses complex payment processing issues in the hotel industry

The objective of the whitepaper was to gain a better understanding of the current situation around payments in the hospitality sector, available solutions that address key pain points, and potential future best practices for three important areas:



# Why?

The rationale for change is based on the perspective of many parts of the hotel payment ecosystem.

- For *marketing and sales*, the rationale is to make guests feel comfortable and welcome throughout their experience
- For *distribution*, the rationale is about keeping guests on a hotel's preferred journey
- For *eCommerce*, the rationale is conversion and upselling non-room revenues
- For *finance and investors*, the most critical rationale will be adding 1 – 4% to the bottom line for all cross-border guests

# Financial Impact

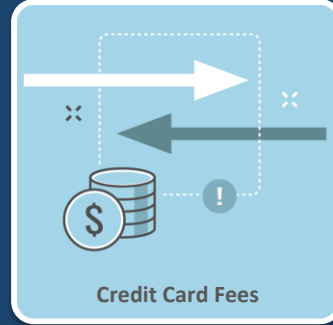
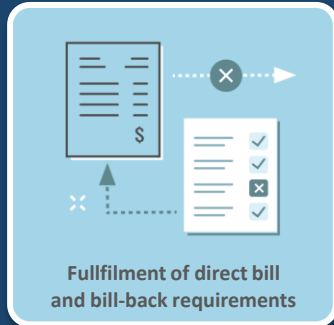
## Multicurrency Pricing and Locally Preferred Payments Offer Cost Effective Options

US company selling in Germany		Multicurrency Pricing (MCP)		
Form of payment	Credit card	Credit card	Credit card	Bank transfer
Selling currency	USD	EUR	EUR	EUR
Acquiring bank location	US	US	Optimal	N/A
Transaction amount	\$1,000	€768	€768	€768
Direct cost (2.7% US processing; 1.6% optimal processing, 1 Euro flat fee bank transfer)	\$27	€21	€10	€1
Minus: Indirect costs: fraud/chargeback/labor (2%)	\$20	€15	€15	N/A
Net	\$953	€732	€742	€767
Multicurrency FX conversion gain (3%)	N/A	€23	€23	€23
Net	\$953	€754	€765	€790
Cost/gain	\$47	€13	€3	€22
EUR value in USD	N/A	\$18	\$4	\$29



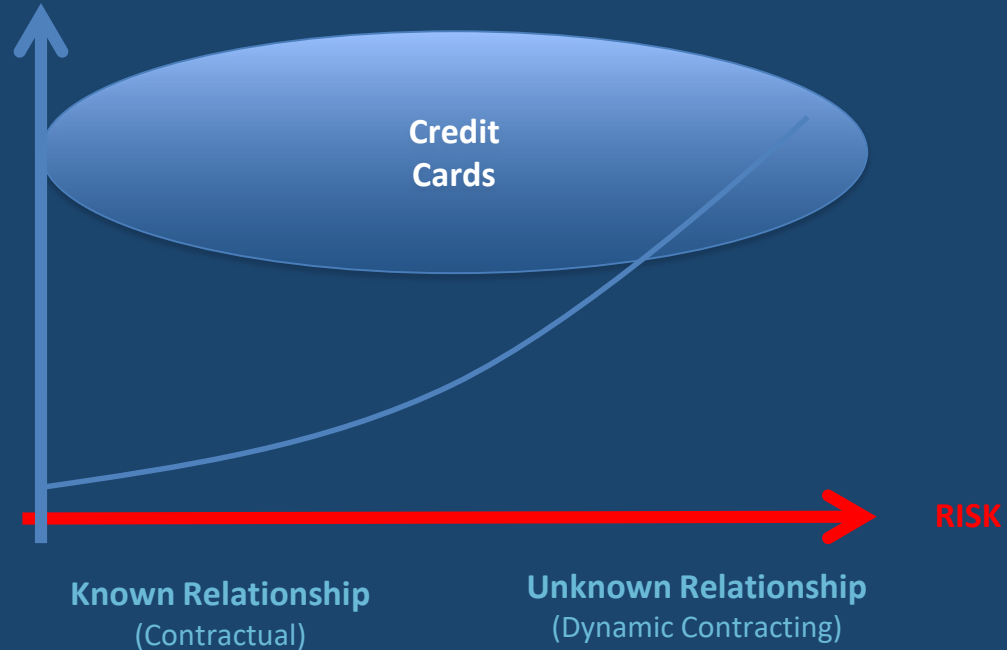
Source: Hudson Crossing, Harteveldt

# Common Pain Points in B2B Payments



# Today's Reality

COST OF RISK  
MITIGATION



Known Relationship  
(Contractual)

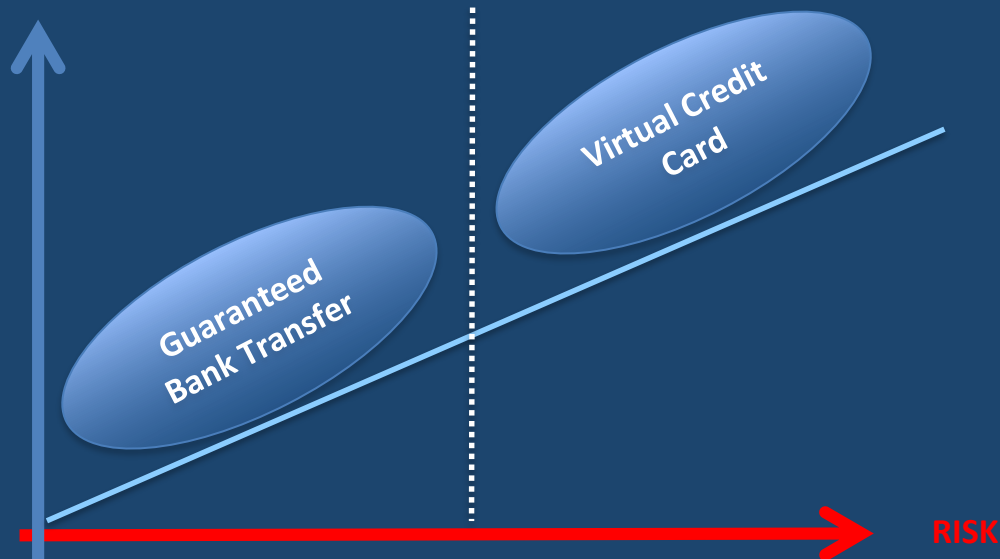
Unknown Relationship  
(Dynamic Contracting)

Type of Trading Relationship



# Right Sizing B2B Payments

COST OF RISK  
MITIGATION



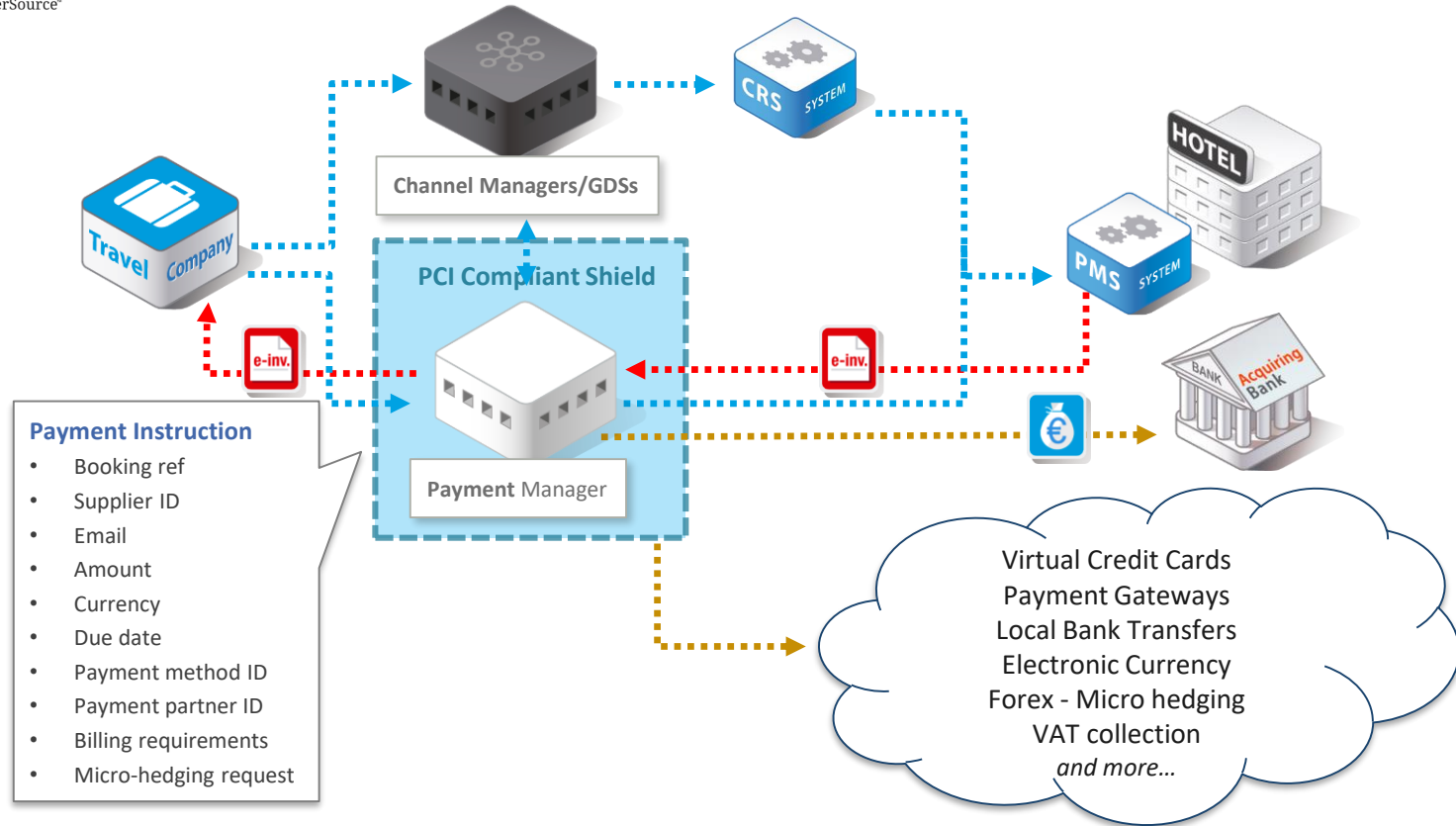
Known Relationship  
(Contractual)

Unknown Relationship  
(Dynamic Contracting)

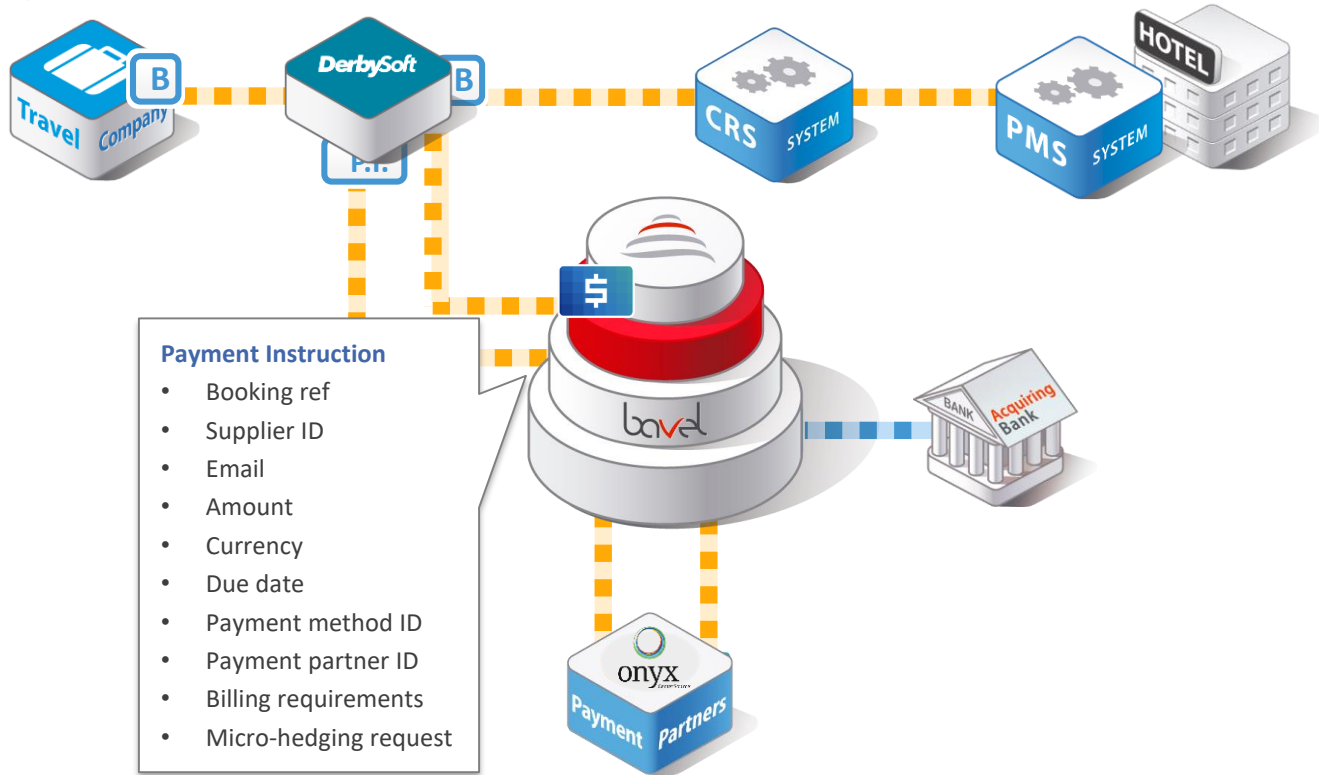
Type of Trading Relationship

# Open Payment Alliance

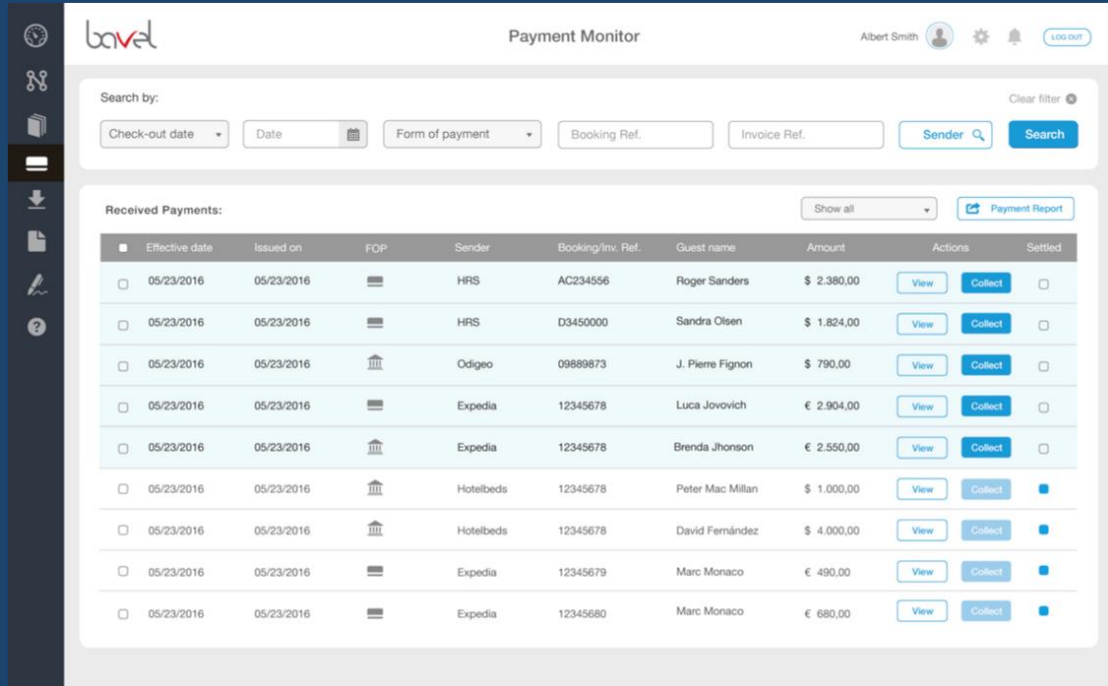
## Introducing the Payment Manager Paradigm



# Payment at Check-out with Direct Deposit



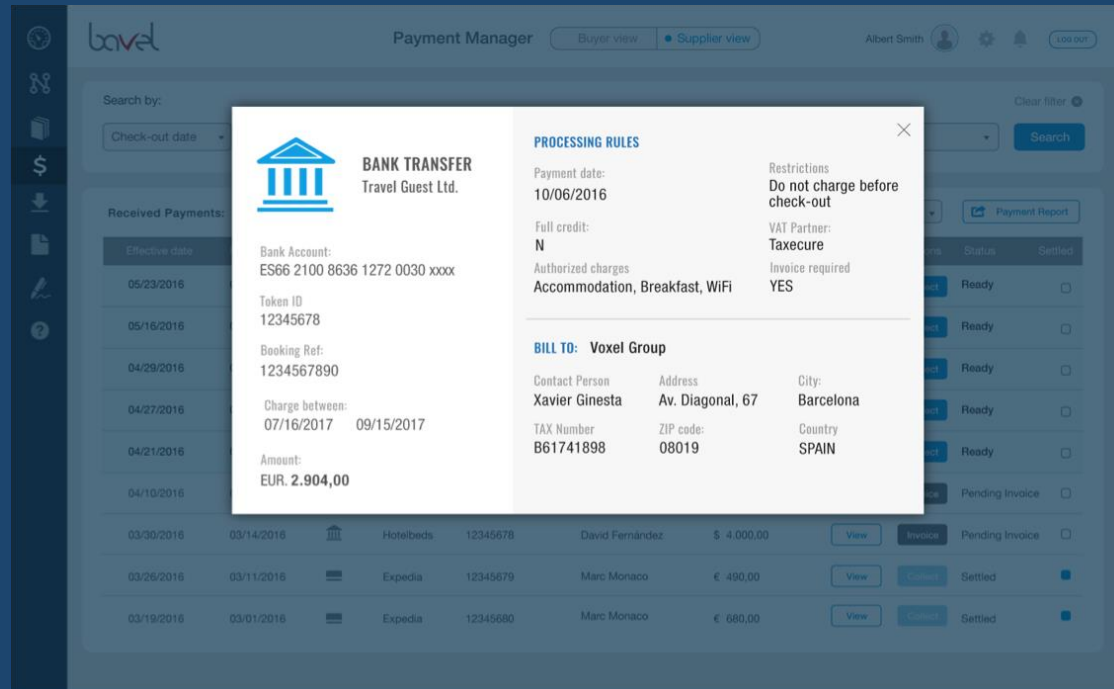
# Payment Manager's Front Desk Interface



The screenshot displays the Bavel Payment Monitor interface. At the top, the Bavel logo is on the left, and the title "Payment Monitor" is in the center. On the right, the user "Albert Smith" is logged in, with icons for settings, notifications, and a "LOG OUT" button. Below the header is a search bar with the label "Search by:" and several input fields: "Check-out date", "Date", "Form of payment", "Booking Ref.", and "Invoice Ref.". There are also buttons for "Sender" and "Search". A "Clear filter" link is on the far right. Below the search bar, the section "Received Payments:" is shown, with a "Show all" dropdown and a "Payment Report" button. The main content is a table with the following columns: Effective date, Issued on, FOP, Sender, Booking/Inv. Ref., Guest name, Amount, Actions, and Settled. The table contains 9 rows of payment data.

Effective date	Issued on	FOP	Sender	Booking/Inv. Ref.	Guest name	Amount	Actions	Settled
05/23/2016	05/23/2016	HRS	HRS	AC234556	Roger Sanders	\$ 2,380.00	<a href="#">View</a> <a href="#">Collect</a>	<input type="checkbox"/>
05/23/2016	05/23/2016	HRS	HRS	D3450000	Sandra Olsen	\$ 1,824.00	<a href="#">View</a> <a href="#">Collect</a>	<input type="checkbox"/>
05/23/2016	05/23/2016	Odigeo	Odigeo	09889873	J. Pierre Fignon	\$ 790.00	<a href="#">View</a> <a href="#">Collect</a>	<input type="checkbox"/>
05/23/2016	05/23/2016	Expedia	Expedia	12345678	Luca Jovovich	€ 2,904.00	<a href="#">View</a> <a href="#">Collect</a>	<input type="checkbox"/>
05/23/2016	05/23/2016	Expedia	Expedia	12345678	Brenda Jhonson	€ 2,550.00	<a href="#">View</a> <a href="#">Collect</a>	<input type="checkbox"/>
05/23/2016	05/23/2016	Hotelbeds	Hotelbeds	12345678	Peter Mac Millan	\$ 1,000.00	<a href="#">View</a> <a href="#">Collect</a>	<input checked="" type="checkbox"/>
05/23/2016	05/23/2016	Hotelbeds	Hotelbeds	12345678	David Fernández	\$ 4,000.00	<a href="#">View</a> <a href="#">Collect</a>	<input checked="" type="checkbox"/>
05/23/2016	05/23/2016	Expedia	Expedia	12345679	Marc Monaco	€ 490.00	<a href="#">View</a> <a href="#">Collect</a>	<input checked="" type="checkbox"/>
05/23/2016	05/23/2016	Expedia	Expedia	12345680	Marc Monaco	€ 680.00	<a href="#">View</a> <a href="#">Collect</a>	<input checked="" type="checkbox"/>

# Bank Transfer Guarantees



The screenshot shows the bavel Payment Manager interface. A modal window is open, displaying details for a Bank Transfer. The modal is titled "BANK TRANSFER" and includes a bank icon. The details are as follows:

**BANK TRANSFER**  
Travel Guest Ltd.

Bank Account: ES66 2100 8636 1272 0030 xxxxx  
 Token ID: 12345678  
 Booking Ref: 1234567890  
 Charge between: 07/16/2017 - 09/15/2017  
 Amount: EUR. 2.904,00

**PROCESSING RULES**

Payment date: 10/06/2016  
 Full credit: N  
 Authorized charges: Accommodation, Breakfast, WiFi

Restrictions: Do not charge before check-out  
 VAT Partner: Taxecure  
 Invoice required: YES

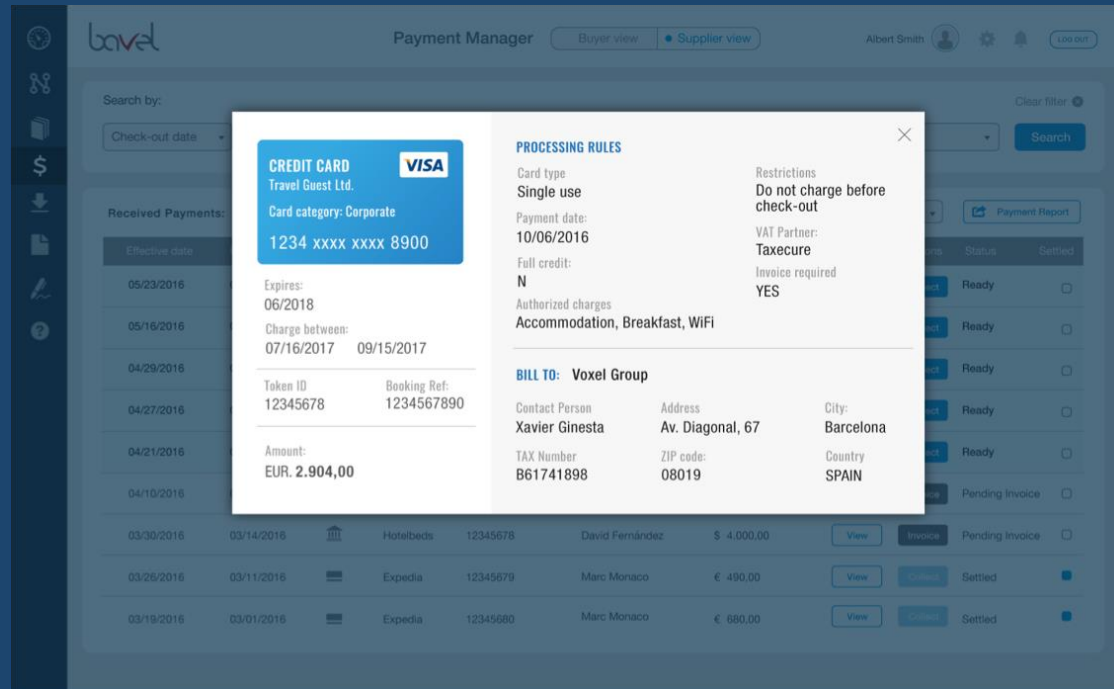
**BILL TO: Voxel Group**

Contact Person: Xavier Ginesta  
 Address: Av. Diagonal, 67  
 City: Barcelona  
 TAX Number: B61741898  
 ZIP code: 08019  
 Country: SPAIN

The background interface shows a "Received Payments" table with columns for Effective date, Status, and Settled. The table lists several payments, including one from Hotelbeds and two from Expedia.

# Card Processing Rules

## Eliminating Reliance on Fax/Emails



The screenshot shows the bavel Payment Manager interface. A modal window displays the details for a credit card processing rule. The card is a Visa card issued to Travel Guest Ltd. with card number 1234 xxxx xxxx 8900. The rule is for a single use, with a payment date of 10/06/2016. The card expires on 06/2018 and is valid until 09/15/2017. The token ID is 12345678 and the booking reference is 1234567890. The amount is EUR 2,904.00. The rule is for a single use, with a payment date of 10/06/2016. The card expires on 06/2018 and is valid until 09/15/2017. The token ID is 12345678 and the booking reference is 1234567890. The amount is EUR 2,904.00.

**CREDIT CARD**  
Travel Guest Ltd.  
Card category: Corporate  
1234 xxxx xxxx 8900

Expires: 06/2018  
Charge between: 07/16/2017 09/15/2017

Token ID: 12345678  
Booking Ref: 1234567890

Amount: EUR 2,904.00

**PROCESSING RULES**

Card type: Single use  
Payment date: 10/06/2016  
Full credit: N  
Authorized charges: Accommodation, Breakfast, WIFI

**BILL TO: Voxel Group**

Contact Person: Xavier Ginesta  
Address: Av. Diagonal, 67  
City: Barcelona  
TAX Number: B61741898  
ZIP code: 08019  
Country: SPAIN

Restrictions: Do not charge before check-out  
VAT Partner: Taxecure  
Invoice required: YES

**Received Payments:**

Effective date	Card	Hotelbeds	Expedia	Token ID	Booking Ref	Amount	Status
05/23/2016				12345678	1234567890	\$ 4,000.00	Pending Invoice
05/16/2016				12345679		€ 490.00	Settled
04/29/2016				12345680		€ 680.00	Settled

# 1-Click Bill-back

Invoice Editor

HEADER

Invoice number: SMR005633

Date: 10 / 19 / 2016

Type: Debit

Sender: Sun Complex Ltd.  
25252626B  
Diagonal 67, 1A  
Barcelona - ESP

Recipient: Marvel Guest Ltd.  
B43556000  
Example Street 50  
London - UK

Booking

Booking Ref.: 12345678      Guest name: Frank Doe

Check-in: 05 / 23 / 2016      Check-out: 05 / 24 / 2016

Taxes & Currency

☐ Invoice line amounts are TAX included

Currency: EUR      ☒ Specify TAX rate in all lines      VAT %

LINE ITEMS

Service Type:	Service details	Units	Unit Price	Tax Type	Tax %	Tax amount	Line total:
Accommodation	- - -	2	150	VAT	10	30,00	330,00 EUR

Edit new line

Clear line

Save line

Service Type	Service details	Units	Unit Price	Total	Tax Type	Tax %	Tax amount
Accommodation					VAT		

Line total: 0,00 EUR

TOTAL AMOUNT: 330,00 EUR

preview

Send & collect

# Open Payment Alliance

Who has expressed interest?



The Open Payment Alliance includes more than 50 companies focused on:

- Major global hotel brands
- Regional hotel brands
- Online Travel Agents
- Travel Management companies
- Payment Technology
- Payment Service Providers
- Acquiring Banks/AFOP
- GDSs
- Distribution Technology
- CRS/PMS systems

To learn more about the OPA, please go to [www.hedna.org](http://www.hedna.org) => What We Do => Working Groups  
Or email [OpenPaymentAlliance@hedna.org](mailto:OpenPaymentAlliance@hedna.org)





# Questions?

Webinar recording and PowerPoint slides will be distributed by end of the week.

# Next Webinar

3<sup>rd</sup> Party Commissions | November 14, 2017

- This webinar will focus on the commission model and smoothing the commission process for business travel bookings made through the Global Distribution System (GDS).

