

Wallstreet Treasury

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Case Study

WALLSTREET TREASURY BRINGS NEW TREASURY SYSTEM TO INTERCONTINENTAL HOTELS



BACKGROUND

InterContinental Hotels Group PLC is a UK-headquartered global hotel group with over 3,600 hotels in 100 countries. With over 537,000 guest rooms, 2005 group operating profit was £317 million.

The world's largest hotel group by number of rooms, InterContinental Hotels owns a portfolio of well-recognised and respected hotel brands including InterContinental Hotels & Resorts, Crowne Plaza Hotels & Resorts, Holiday Inn Hotels and Resorts, Holiday Inn Express, Staybridge Suites, Candlewood Suites and Hotel Indigo. It also manages the world's largest hotel loyalty programme, Priority Club Rewards.

The global headquarters of the Group is in Windsor, UK, while the Group Treasury consists of nine people and is based in Burton-upon-Trent, UK.

KEY FACTS

- **Global hotels group streamlines process for intercompany deals.**
- **Interfaces into PeopleSoft general ledger system and automates email deal confirmation.**

BUSINESS CHALLENGE

With intercompany deals making up a large percentage of its treasury's transactions, InterContinental began to look for a replacement for its seven year-old treasury management system.

Treasury staff and management felt that the existing software's reporting of accounting information could be improved, and the information flow across the system from deal input to the output of accounting information was cumbersome.

One of the key business challenges was that any new treasury management software should interface with InterContinental's existing PeopleSoft general ledger. Another key factor was the requirement to avoid duplication of data input and to simplify the confirmation process for internal transactions. In the past, internal counterparties had to manually enter details of deals into the PeopleSoft ledger as this information was not captured by the Treasury system. This created additional work for employees, slowed down the process and created the possibility for error due to the manual data entry.

The treasury team reviewed three alternative solution providers that could meet these challenges, one of which was the incumbent supplier, the other two new providers.

Having evaluated all the options, the treasury team decided it was time to refresh the technology, with the possibility of significant time saving and a more modest upfront investment thanks to the Wallstreet Treasury application service provider (ASP) delivery mechanism.

In addition, with the goal of introducing a hosted solution to minimise the need for hardware on site, InterContinental chose Wallstreet Treasury over the competition as it felt the range of functionality gave the closest match to the future needs of the business.

RESULTS

The Wallstreet Treasury system was implemented within six months, which included significant bespoke development work and support from Wall Street Systems. The entire department was involved in the implementation phase, giving the opportunity to review the historic data on the existing system.

"Wall Street Systems was extremely receptive to our feedback, and incorporated development work to the system that responded to our needs," said Keith Reed, Treasurer. "There were also some issues with getting some of the information through our corporate firewalls but they were resolved quickly and with the minimum of disruption to the department."

Following the implementation of Wallstreet Treasury, InterContinental now benefits from a reduced number of input screens, and an improved interface with the PeopleSoft system, all adding up to significant time savings. Manual duplication of accounting entries for intercompany deals has been eliminated.

Additionally, the development work done by Wall Street Systems ensured that the email confirmations to the internal counterparties could be successfully sent even though the solution is hosted outside the corporate network.

"We now have a highly-streamlined process demonstrating saving time and improving business efficiency," said Reed. "Furthermore, the ASP model meant we were able to do away with the hardware on which our previous system ran, and the system doesn't add any additional strain on our own IT support function."

Wallstreet Treasury addressed the concerns over business continuity and security of data which are sometimes associated with an externally-hosted system. Wallstreet Treasury has proved itself a reliable and secure trading environment adding to the reduced load on InterContinental's IT support resources.

With Wallstreet Treasury working extremely well and cutting the time it takes to process intercompany deals, the treasury team plans to extend the number of entities that the system generates accounting information for.

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