

ADCB checks in

ABU DHABI'S BEACH ROTANA HOTEL GOT THE CASH MANAGEMENT MAKEOVER IT WANTED, COURTESY OF ABU DHABI COMMERCIAL BANK. **GLENN CUEVO** AND **RAFFY VICENCIO** EXPLAIN.



Executive summary

The Beach Rotana Abu Dhabi has been enjoying the success of hospitality operations in spite of the recent economic situation. However, any successful business venture translates into deepening, more complex business requirements, requiring more custom-made solutions. Abu Dhabi Commercial Bank's cash management team addressed Beach Rotana's ever growing banking requirements with efficient solutions.

Rotana. Hotel cashiers were receiving cash in sizeable quantities on a daily basis, which was then deposited to the hotel bank account through over-the-counter transactions. This posed a security risk while the cash was in transit, even if the branch was just a few metres away. Another challenge was having immediate availability of its cash collections, since Beach Rotana does its over-the-counter transactions on a need-by-need basis.

Payments processing was equally important to the hotel. Settlements were being made to suppliers by means of cheques prepared through regular cheque books. Cheque preparation was quite cumbersome for Beach Rotana.

Another challenge was the actual monitoring of all cheques issued by the hotel – whether these had already been presented by suppliers or were still outstanding. Beach Rotana was looking for ways to improve settlements to its suppliers in an efficient way, and at the same time improve its working relationships.

Beach Rotana Hotel Abu Dhabi was one of two maiden projects established by the Rotana Hotel Management Corporation (Rotana) in 1993. Strategically located within the business and commercial district of Abu Dhabi, Beach Rotana is one of the most well-established and prestigious hotels in the emirate.

Rotana opened its first property in Abu Dhabi in 1993 and is today one of the leading hotel management companies within the Middle East and North Africa. Since inception, its aggressive expansion plans have seen the company grow from two properties in 1993 to a total of 67 by 2012, spread across the Middle East, including luxury hotels in Abu Dhabi, Dubai, Al Ain, Sharjah, Fujairah, Ras Al Khaimah, Beirut, Kuwait, Syria, Sudan, Hurgada and Sharm El Sheikh. New properties are currently under development in Bahrain, Egypt, Iraq, Lebanon, Oman, Qatar, Saudi Arabia, Syria and the UAE.

ALLIANCE WITH ABU DHABI COMMERCIAL BANK Beach Rotana decided to partner with Abu Dhabi Commercial Bank in June 2005 for its cash management requirements. Beach Rotana sought ADCB's assistance with its banking requirements, starting off with establishing the main operating accounts for its various financial transactions. Another immediate concern was Rotana's payment of salaries for employees in a timely and convenient manner.

Cash collection was a major challenge foreseen by Beach

AT ADCB, CASH MANAGEMENT IS APPROACHED AS AN EXACT SCIENCE. CLIENT-NEED ASSESSMENTS ARE CONDUCTED TO TAKE ACCOUNT OF A COMPANY'S UNIQUE CASH HISTORY, PRESENT OPERATIONS AND FUTURE PLANS.



CONTINUOUS IMPROVEMENT With those requirements in mind, ADCB gradually introduced its cash management services to Beach Rotana to address its various concerns. ADCB's cash management approach is to address present needs, and continuously develop and enhance existing product offerings to meet the demands of the future.

On the account management side, all accounts under Beach Rotana Abu Dhabi Group are being monitored through ADCB's state-of-the-art ADCB@ctive corporate internet banking platform. Beach Rotana was one of the first to avail itself of ADCB's newly launched internet-based electronic banking service. Intra-day account information can easily be provided on a real-time basis, for Beach Rotana's ease of monitoring, especially on the collections side. The service has allowed Beach Rotana to do periodic reconciliation of all its collections and payments transactions.

The Cash@Request service was introduced to manage the day-to-day pick-up and deposit of Beach Rotana's cash receipts in a secure and efficient manner. With ADCB managing this service, cash receipts were posted immediately after collection and verification, allowing Beach Rotana easy and convenient real-time access to funds for daily hotel operations.

Regular payments to suppliers are handled by Beach Rotana through ADCB's customised cheques service. ADCB's corporate salary transfer solution allowed Beach Rotana to send payroll settlement instructions to the bank through a secure electronic channel for further processing, allowing its staff to receive their pay on time.

ADCB is working together with Beach Rotana's finance team for its bulk payment solution via ADCB@ctive. This will allow Beach Rotana to gradually shift settlement to its various suppliers and customers from cheques to electronic bank transfers.

ADCB's BulkPay@Command allows Beach Rotana to process payments from its enterprise resource planning system for further authorisation and transmission to the bank via the internet, for further processing, covering account-to-account transfers, central bank domestic transfers and international fund transfers via Swift.

Jean Hannout, area director of finance for Abu Dhabi and Al Ain, says: "ADCB has helped us achieve the rationalisation and management of our operating accounts. The solutions that ADCB has provided us with are comprehensive and effective. We saw the bank's ability to meet most of our banking needs, covering specifically collections and payments. Furthermore, we see that ADCB never stops in improving its current product offerings. It continues to come up with new and innovative banking products and services aimed at further improving the quality of work that we do, just like we are."

ADCB CASH MANAGEMENT At ADCB, cash management is approached as an exact science. Client-need assessments are conducted to take account of a company's unique cash history, present operations and future plans. Through detailed consultation, ADCB's client-focused specialists compile a holistic picture of all aspects of a business's cash requirements, devising appropriate products and services. The

SOLUTIONS INCLUDE THE INSTALLING OF EFFECTIVE CASHFLOW MANAGEMENT, MAXIMISING RETURNS IN SURPLUS OR IDLE CASH, AND REDUCING BORROWINGS, COST OF BORROWING AND OVERDRAFT CHARGES.

on-the-ground implementation team ensures successful product delivery with full after-sales product support.

ADCB account management solutions provide simplified account administration, efficient monitoring and control of cashflows, reduction in back-office workload and enhanced account structures for streamlined reconciliation. Liquidity management solutions focus on increasing funds' availability and provide ease and flexibility in managing outstanding deposit balances with ADCB. The solutions include the installing of effective cashflow management, maximising returns in surplus or idle cash, and reducing borrowings, cost of borrowing and overdraft charges.

ADCB's payments solutions focus on daily transaction banking requirements, offering streamlining of processes, cost-reduction, risk-minimisation, comprehensive services for domestic and cross-border payments, and structures for prompt and accurate payments.

ADCB's collections services enhance control to provide best use of valuable company resources. These solutions offer cost-effective funds collection, reduced clearing cycle, improved settlement of outstanding receivables and greater credit control.

ADCB channel management solutions provide information delivery and transaction initiation through multiple channels – fax, email and internet – achieving a seamless and flexible interface between client and bank.

ADCB is constantly developing cash management capabilities to provide the finest and most reliable range of cash management solutions and to meet the growing demands of clients. The cash management services are backed by the bank's sound asset structure, its investment in cutting-edge technology solutions, and team of highly experienced and motivated corporate banking personnel, in-depth local knowledge and ADCB's extensive region-wide branch network.

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