

ELIOR: Relying on liquidity to create value

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The ELIOR Group Treasurer, Laurent BERTRAND shares his challenges and vision, and explains how he brings innovation to ELIOR's liquidity management.

Both endogenous and exogenous factors have led Elior to focus on optimising its working capital. Group Treasurer Laurent BERTRAND says: "Every day, we collect a large number of small payments that go through multiple means of payment". Cash, cheques, credit cards, meal vouchers, direct debits and transfers are handled every day via a large network of outlets.

Additionally, Elior wants to be free to choose where to invest, which it is yet another reason why the company takes special care of its liquidity and industrialises the management of its cash flows. One of the Group's main banking partners, BNP Paribas has been supporting the improvement of its treasury processes for years. In particular, the Bank was in charge of centralising part of Elior's cash flows in 2013 and supported its SEPA migration in France and in Italy.

France as a laboratory

"France is the Group's laboratory, and treasury management processes have been harmonised and optimised over here for a good 10 years", continues Laurent. The payment platform and the treasury management software are the cornerstones of Elior's centralised system. Building on these two pillars, Elior can structure, organise and improve liquidity management centrally and locally. From Paris, the Group's central treasury department manages debt and centralises liquidity. To achieve this, it relies on SAP-based methods, processes and tools, in addition to being connected to SWIFTNet and supporting a full STP (straight-through-processing) for faster transactions. In 2013, thanks to SEPA, Elior took one step further.

The fact that BNP Paribas combines the reach of a global player with a strong local footprint is essential to Elior, as the company is constantly looking to improve the management of its treasury both centrally and locally. Effective communications, combined with a strong reactivity are the keys to our successful partnership.

Michel Fouillet, Cash Management Global Relationship Manager, BNP Paribas

In France, Elior relies on a third party to manage its collections by card. Each day, the Group's provider supplies a detailed collections file per outlet, while the account credit is globalised and allocated to a small number of bank accounts. Using the files' data, collections can be linked to their legal entities. "In addition to the traceability, it also allows the system to be led by lower administrative costs and an enhanced accounting process." Lastly, it has also made it possible for Elior to reduce the number of its bank accounts.

The European challenge

Once the new methods have been tried and tested in France, they will be rolled out in

Belgium, Italy, Spain, Germany and the United Kingdom. Today, all the payments carried out in these countries are being routed to the Group's central treasury. In case of a new acquisition, the cash is repatriated easily and quickly via the local treasuries. This means that the central treasury has a near real-time view of each of the Group's six local markets, as well as an overview.

"The local treasurers play a vital role in our continuous optimisation process", adds Laurent. In fact, the local treasurers manage, monitor and dispatch the flows to the central treasury on a daily basis. Yet, there are many local requirements that the French model must integrate. For example, cash management is much more centralised in France and requires little manpower; while in Italy treasurers rely on multiple contractors including a number of banking partners with specific contracts.

By being familiar with the local requirements and having the support of banking partners that understand and knowhow to manage them, Elior is progressively empowering its European subsidiaries with tools identical to the ones used at a central level. The objective is to structure, organise and improve cash management locally and globally. However, it is also an opportunity for the Group to share a common culture of banking relationships -as the local teams are in pole position to handle this.

Elior is constantly looking to improve the management of the multiple means of payment. "We use a proactive and straightforward approach to bank relation management. We address topics that are important to us and they come up with solutions." Smart and safe describes our approach. This innovative equipment considerably raises the reliability and the security of the withdrawing and deposit processes. The machines use fingerprint recognition and cash is counted automatically, making the process reliable and secure for staff. In the search for cash flow optimisation, the sky seems to be the only limit.

Elior Group : company profile

Elior is one of the world's leaders in contract catering. Net sales break down by activity as follows:

- institutional catering (69.5%; world's No. 4): management of restaurants located in businesses and public buildings (46.3% of net sales), educational institutions (28%), health care facilities and nursing homes (25.7%). The group also offers related services (cleaning, security, maintenance, etc.);

- concession restaurants (30.5%; world's No. 3): management of restaurants located at airports (38.6% of net sales), along highways (35.8%) and in towns (25.6%).

Restaurants and points of sale are operated under company-owned names (L'Arche, Philéas, Ars, Medas, MyChef, Axxe, etc.) and through franchises (Paul, Quick, Courtepaille, Costa Coffee, Burger King, Starbucks Coffee, McDonald's, Wendy's, Dunkin' Donuts, etc.). France accounts for 56.1% of net sales.

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