



## TUI Travel PLC



### Background

TUI Travel is a leading international leisure travel company. It operates in over 180 countries worldwide, providing a wide range of holidays and travel experiences to more than 30 million customers. TUI Travel was formed in March 2007 through the merger of First Choice Holidays plc with the Tourism Division of TUI AG.

Alsbridge plc started working with TUI in Spring 2007. At the time, TUI operated a UK based shared service centre where approximately 220 FTE worked in their finance processing function. TUI already had in place a well defined and publically announced cost restructuring programme. They had a clear focus that they would deliver process efficiencies which would decrease the finance function to 135 FTE and would see the closure of the shared service centre. A substantial amount of this operation would move to their third parties offshore centre, and the retained activities moving to the UK head office.

### Objectives

TUI had a number of objectives for delivering this change project, including; cost savings, developing best practice financial processes, improving performance management and enhancing reporting. The travel industry is known to be a fiercely competitive cost driven market and these changes were key to maintaining competitiveness.

Alsbridge was asked to support this change programme. TUI asked Alsbridge to check that offshoring was being employed to maximum effect and to advise on its procurement strategy. Once agreement with TUI's service provider was reached, Alsbridge provided expert input into the changes required to manage a third party and supported TUI in executing them within the finance function. Guidance was also provided to the TUI management on managing the services provided by the offshore supplier.

During the course of this change programme TUI concluded its merger with First Choice. One of the strategy savings envisaged from this merger was through the integration of Finance and other business support functions. Alsbridge assisted with the integration programme of TUI and First Choice by advising on outsourced finance operations and contracts.

### Alsbridge approach

#### The initial cost restructuring programme

**Strategy** – Alsbridge advised on the scope of offshoring, procurement strategy and retained function set-up.

**Planning** – Once the scope had been confirmed, Alsbridge reviewed the integrated plan for moving internal operations as well as transitioning activities offshore.

**Baselining** – TUI realised the need for suitable performance data and relevant management information. Alsbridge developed new performance management templates so performance information could be built up.

**Solution design** – Alsbridge provided a full Service Level Agreement (SLA) and performance management solution for both TUI's onshore and offshore finance operations. This was supported with an Operational Guide for new process owners (in the retained function).

**Coaching** – Alsbridge provided ongoing coaching to the functional managers on the use of the performance templates and how they can be used to proactively manage the supplier. Alsbridge helped bed-in these new processes and with coaching, assisted the managers in adjusting to their new role which included third party management.

**Contracting** – Alsbridge advised on contractual matters and drafted all the necessary contract schedules to cover the functions' specifications, service levels and contractual terms relating to the finance offshoring.

### Integration of TUI and First Choice businesses

**Contract analysis** – Once the merger was announced, Alsbridge conducted a contract review and comparison between First Choice and TUI. This identified key differences in approach, output and performance levels.

**RFP and integration** – After completing the contract reviews, Alsbridge completed an RFP process on TUI Travel's behalf. Alsbridge then provided support to TUI Travel during the merger of First Choice and TUI offshored operations. Alsbridge provided insight and advice on contractual matters and important input into supplier negotiations and benefits to be shared with TUI Travel.

### Alsbridge impact

The client was highly satisfied with the involvement of Alsbridge and their contribution to the success of both the finance change programme and integration projects.

Alsbridge helped TUI maximise the scope of its offshore activities and develop an effective procurement strategy for the provision of offshore services. As a consequence of Alsbridge involvement and expertise, TUI successfully implemented a robust third party performance management system and processes.

After the merger, Alsbridge successfully completed a fast-track RFP process and ensured that all issues relating to the merger of the offshored operations were identified and resolved between TUI Travel and their 3rd party provider with speed and effectiveness.

"The Alsbridge team did a fantastic job. They quickly understood the support we needed and delivered this effectively by working closely with the team. They provided excellent advise, insight and expertise. They built strong relationships and coached the retained team in using SLA's and managing a third party supplier."

*Sue Bracken, Head of Finance shared service centre TUI*

**To find out more about Alsbridge, please contact us today on +44 (0)20 7242 0666 or email [helen.ricardo@alsbridge.eu](mailto:helen.ricardo@alsbridge.eu)  
We look forward to hearing from you.**

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