NH | HOTEL GROUP

Corporate IT & Organization Department

Process: Receivables Accounts Management

Subprocess: Credit Concession

Process Owner: Beatriz Puente **Proces Leader:** Francisco Morillo

Author	Miguel Perez
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Document version	

NH Approvals

Name	Function	Date	Comments
Beatriz Puente	Process Owner		
Francisco Morillo	Process Leader		

Modification History

Document Version	Date	Modified by	Comments
0.1	11.07.2016	MIguel Pérez	

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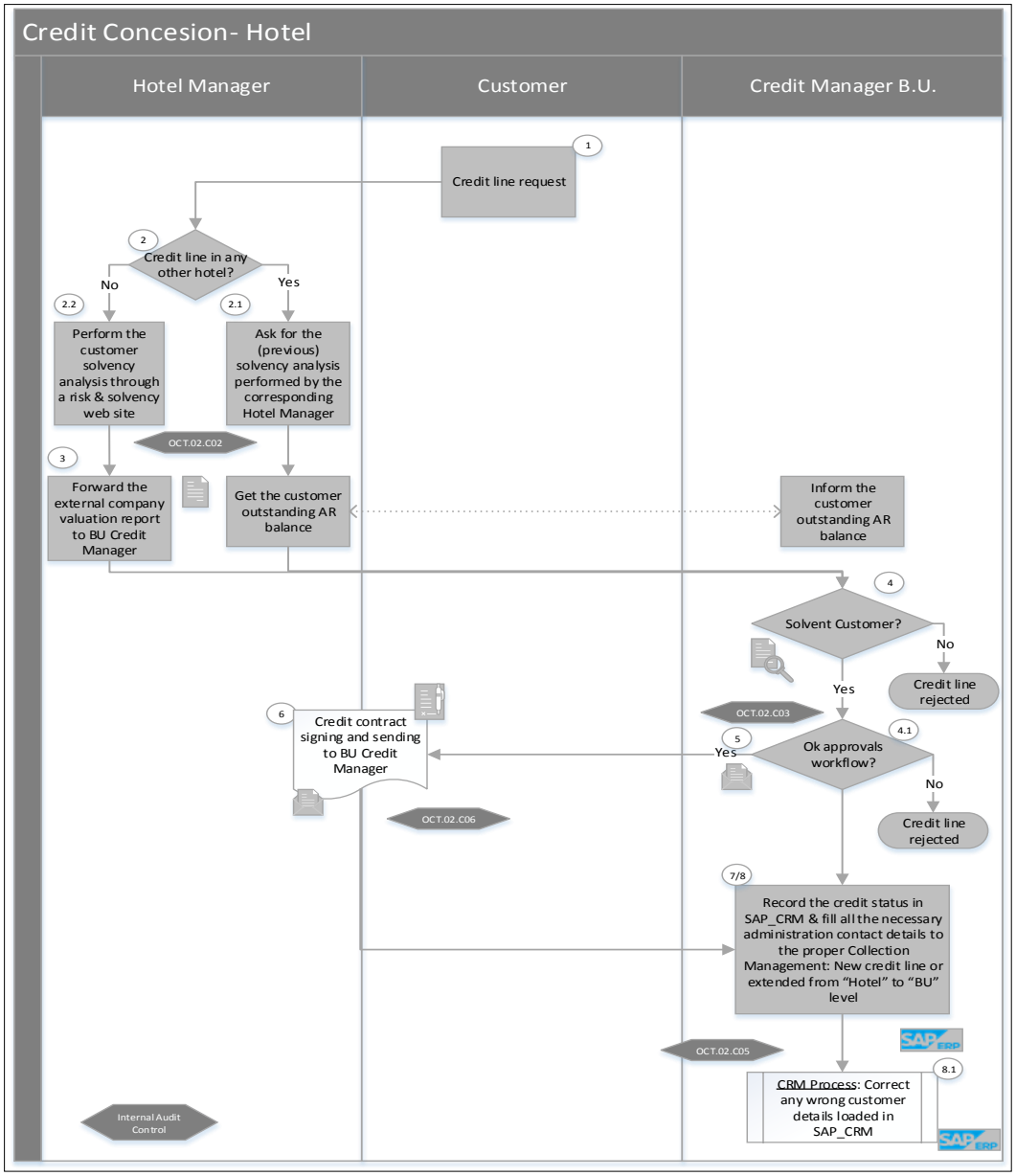

Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
Internal Audit Control	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
SAP ERP	Notifications	External/Internal Notifications.

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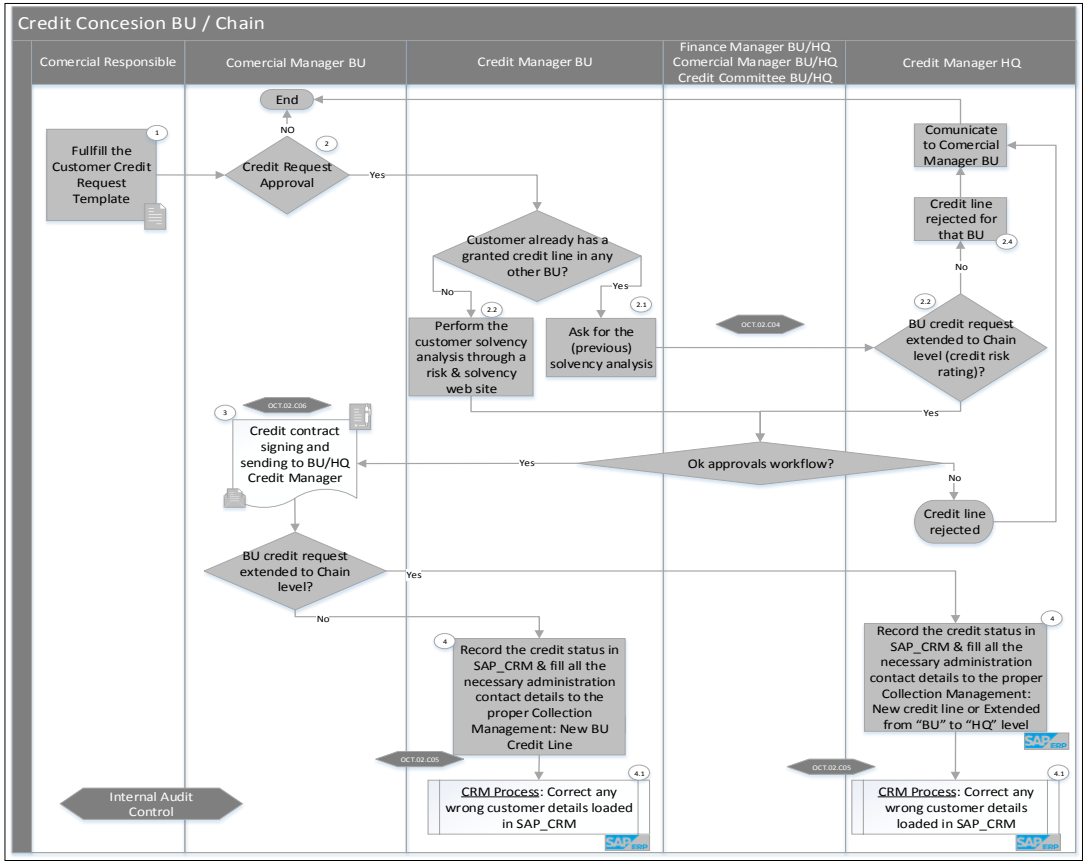

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Process: Receivables Accounts Management

Subprocess: Credit Concession (Credit Hotel)

Process Owner: Beatriz Puente

Proces Leader: Francisco Morillo

Order	Task	Task Description (Credit Hotel)	When	Responsible	Frecuency	Tools
1	Credit Request - Hotel	The customer requests a credit line to the hotel which has to collect all the required information.	Ad-hoc	Customer	Ad-hoc	E-mail
2	Credit line check	Hotel Manager verifies if the customer already has a granted credit line in any other hotel (in the same BU)	Ad-hoc	Hotel Manager	Ad-hoc	E-mail
2.1.	Customer Solvency Analysis - Hotel	If customer already has a granted credit line in any other hotel: - Hotel Manager will ask for the (previous) solvency analysis performed by the corresponding Hotel Manager. - Hotel Manager will contact the BU Credit Manager to get the customer outstanding AR balance. Note: in case the existing solvency analysis had been performed more than a year ago, then the Hotel Manager should run/perform it again (to ensure the customer credit capacity remains appropriate).	Ad-hoc	Hotel Manager	Ad-hoc	E-mail
2.2	Customer Solvency Analysis - Hotel	If customer has not a granted credit line in any other hotel: The Hotel Manager will perform the customer solvency analysis through a risk & solvency web site/platform (external third party).	Ad-hoc	Hotel Manager	Ad-hoc	Risk and solvency report provided by external company
2.1 - AI	*Internal Audit Control (OTC.02.C02)*	*Credit limit requests performed by Hotel Directors need to be supported by a solvency report from an external or internal sources showing the favourable client solvency report. This supported documentation is kept by the Credit Manager*	*N/A*	*BU Credit Manager*	*Execution: Ad-hoc Testing: Yearly*	*Evidence: Communication send by the hotel to the Credit Manager enclosed the report from the credit agency.*
3	Delivering solvency report with credit request - Hotel	Forwarding of the external company valuation report to Credit Manager of the BU to analyze the granting of credit (only in case Customer Solvency Report from external company is passed).	Day 0	Hotel Manager	N/A	Risk and solvency report provided by external company
4	Analysis of current client outstanding balance vs credit line requested	If the customer credit capacity from the solvency report does not allow to cover the sum of the credit already granted and the (new) credit line requested, **or**, if a part of the current outstanding AR balance of the client has expired, then NH will reject the credit requested. Otherwise, the credit line will be approved.	(+5) working days from Hotel Manager request	BU Credit Manager	Ad-hoc	SAP_CRM and TMS
4.1	Credit Manager analyzes hotel credit request Approvals workflow	The Credit Manager will analyze the Risk Report from the external company and verify that the information received is consistent. The approval workflow is as follows: • Credit line < 6.000€: Hotel Manager • 6.000€ < credit line < 20.000€: Regional Operating Manager • 20.000€ < credit line < 100.000€: BU Credit Manager • Credit line > 100.000€: BU Credit & Risk Committee (BU Finance Manager, BU Commercial Manager, BU Credit Manager and BU Operating Manager) Notes: - Approval workflow (accumulative: every lower authorization level has to approve) is compulsory for the credit line concession approval. The solvency analysis will be attached to the email sent. - In any case, the BU Credit Manager will be informed of the credit line amount granted so that he can introduce it in SAP_CRM system.	(+5) working days from Hotel Manager request / approval from Regional Operating Manager	BU Credit Manager	N/A	Info provided by Hotel director and any other reports obtained by external companies and info provided from SAP and TMS.
5	Response regarding the grant of credit - Hotel	The Credit Manager will reply to the Hotel, indicating whether or not the credit will be approved (conditioned to the credit documents to be signed by the parties)	Immediately once the credit line has been approved or rejected	BU Credit Manager	Ad-hoc	E-mail
6	Credit contract signing and sending to BU Credit Manager	Once the line of credit has been approved, the corresponding contract will be signed and sent to the BU Credit Manager.	N/A	Hotel Manager	Ad-hoc	*Credit Contract NH.doc*
6 - AI	*Internal Audit Control (OTC.02.C06)*	*All the credits granted are supported by a credit contract signed by the parties. This information is kept by the Credit Manager*	*N/A*	*BU Credit Manager*	*Execution: Ad-hoc Testing: Yearly*	*Evidence: Contracts signed by the parties*
7	Hotel credit request extended to BU level	If that is not the case, the BU Credit Manager will extend in SAP_CRM the credit level from "Hotel" to "BU" and assign the customer to a Commercial Handler. The aforementioned change will take place provided the two following conditions are met: - Both credit lines (the one already granted and the requested one) are greater than 25K €. - it has to be a customer with credit line granted in at least 3 hotels (taking in account the requested one). **Note**: this subprocess will be linked with the Credit Concession-BU/Chain subprocess.	(+7) working days from Hotel Manager request	BU Credit Manager	Ad-hoc	SAP_CRM
8	Registration of the credit in SAP_CRM and the administration contact details	Customer credit limit set up in SAP_CRM and fill all the necessary administration contact details to the proper Collection Management	Immediately once the credit line contract has been received from Hotel Manager	BU Credit Manager	Ad-hoc	SAP_CRM
8 - AI	*Internal Audit Control (OTC.02.C05)*	*Client credit limits are assigned (or removed) in the system (SAP-CRM) only by the Credit Manager*	*N/A*	*BU Credit Manager*	*Execution: Ad-hoc Testing: Yearly*	*Evidences: a. User profiles matrix b. List of users with profiles assigned c. Changes in CRM Master Data d. All changes in user profiles regarding the CRM master data*
8.1	Process: Customer registration in SAP_CRM	In addition to the registration of the new credit status in SAP_CRM and the administration contact details, Credit Manager BU will inform to CRM Department if any wrong customer details loaded in SAP_CRM is detected.	Immediately once the credit line contract has been received from Hotel Manager	BU Credit Manager	Ad-hoc	SAP_CRM

Process: Receivables Accounts Management

Subprocess: Credit Concession (Credit BU / Chain)

Process Owner: Beatriz Puente — Proces Leader: Francisco Morillo

Order	Task	Task Description (Credit BU / Chain)	When	Responsible	Frecuency	Tools
1	Credit Request - BU / Chain	Commercial Handler will fulfill the credit line request form with the client and send it to the BU Commercial Director for approval.	Ad-hoc	Commercial Handler	Ad-hoc	*Credit Request Form NH.xls*
2	BU Commercial Director review and approval of credit request	BU Commercial Director reviews and approves the BU/Chain credit line request and sends it to the BU Credit Manager.	Day 0	BU Commercial Director	Ad-hoc	*Credit Request Form NH.xls*
2.1	Study and Analysis of the customer - BU / Chain	BU Credit Manager verifies if the customer already has a granted credit line in any other BU. If that is the case, the BU Credit Manager will ask for the (previous) solvency analysis (tasks 3.2 or 3.3) Note: - In case the existing solvency analysis had been performed more than a year ago, then the Credit Manager should run/perform it again (to ensure the customer credit capacity remains appropriate)	(+10) working days	BU Credit Manager	Ad-hoc	SAP_CRM and TMS Risk and solvency report provided by external company
2.2	Study and Analysis of the customer - BU / Chain (Credit risk rating)	If the customer has not a granted credit line, the BU Credit Manager will perform the customer solvency analysis through a risk & solvency web site/platform (external third party). In addition, the BU Credit Manager will assign a risk indicator (from 1 to 4) for clients that don't have one. Depending on this risk indicator, the following guarantees will be requested to customers: • Rating 1: no guarantee required • Rating 2: bank guarantee required consisting of 10% of credit line requested or the credit line is reduced in a 25 % • Rating 3: bank guarantee required consisting of 25% of credit line requested or the credit line is reduced in a 50 % • Rating 4: bank guarantee required consisting of 100% of credit line requested	(+10) working days	BU Credit Manager	Ad-hoc	Risk and solvency report provided by external company "Credit Risk Classification" online application
2.3	BU credit request extended to Chain level	Upon request for the opening of a line of credit to more than one BU, a Commercial VP should ask the BU Credit Manager to extend such credit to Chain level. BU Credit Manager will send the credit line request form and solvency analysis to HQ Credit Manager to evaluate the increase in that customer's risk and request any additional guarantees that may be necessary.	(+10) working days	BU / HQ Credit Manager	N/A	SAP_CRM and TMS Risk and solvency report provided by external company
2.4	Analysis of current client outstanding balance vs credit line requested	If the customer credit capacity from the solvency report (ref. task 2.1) does not allow to cover the sum of the credit already granted and the (new) credit line requested, or, if a part of the current outstanding AR balance of the client has expired, then NH will reject the credit requested.	(+10) working days	BU / HQ Credit Manager	Ad-hoc	SAP_CRM and TMS
2.5	Approval workflow	In case the solvency analysis is favorable (credit capacity covers the credit line request), the approval workflow is as follows: • Credit line < 100.000€: BU Credit Manager • 100.000€ < credit line < 200.000€: BU Credit & Risk Committee • 200.000€ < credit line < 300.000€: HQ Credit Manager • Credit line >300.000€: HQ Credit & Risk Committee (Finance SVP, Chief Commercial Officer, HQ Credit Manager and Operations SVP) Note: Approval workflow (accumulative: every lower authorization level has to approve) is compulsory for the credit line concession approval. The solvency analysis will be attached to the email sent. It is important to highlight that the Hotel Manager will always be responsible of the customer collection.	Ad-hoc	BU Credit Manager / BU Credit & Risk Committee / HQ Credit Manager / HQ Credit & Risk Committee	Ad-hoc	E-mail
2 - AI	*Internal Audit Control (OTC.02.C04)*	*All credit limit requests at chain or BU level are sent to Credit Manager through email. The credit manager analyses the information of the client using an external credit check company or using internal tools. Once the credit is analysed there is in place an approval matrix depending on the credit level and the credit limit*	*N/A*	*BU Credit Manager*	*Execution: Ad-hoc* *Testing: Yearly*	*Evidences: a. E-mails with credit limit requests* *b. Supporting documentation of the analysis performed by the Credit manager* *c. Credit approvals*
3	Signing of credit contract and sending to Credit Manager	Once the line of credit has been approved, the corresponding contract will be signed and sent to the BU/HQ Credit Manager	Ad-hoc	Commercial Handler	Ad-hoc	*Credit Contract NH.doc*
3 - AI	*Internal Audit Control (OTC.02.C06)*	*All the credits granted are supported by a credit contract signed by the parties. This information is kept by the Credit Manager*	*N/A*	*BU Credit Manager*	*Execution: Ad-hoc* *Testing: Yearly*	*Evidence: Contracts signed by the parties*
4	Registration of the credit in SAP_CRM and the administration contact details	Customer credit limit set up in SAP_CRM and fill all the necessary administration contact details to the proper Collection Management	Immediately once the credit line contract has been received from Commercial Responsible	*BU / HQ Credit Manager*	N/A	SAP_CRM
4 - AI	*Internal Audit Control (OTC.02.C05)*	*Client credit limits are assigned (or removed) in the system (SAP-CRM) only by the Credit Manager*	*N/A*	*BU / HQ Credit Manager*	*Execution: Ad-hoc* *Testing: Yearly*	*Evidences: a. User profiles matrix* *b. List of users with profiles assigned* *c. Changes in CRM Master Data* *d. All changes in user profiles regarding the CRM master data*
4.1	*Process: Customer registration in SAP_CRM*	In addition to the registration of the new credit status in SAP_CRM and the administration contact details, Credit Manager BU will inform to CRM Department if any wrong customer details loaded in SAP_CRM is detected.	Immediately once the credit line contract has been received from Commercial Responsible	*BU / HQ Credit Manager*	*N/A*	*SAP_CRM*