

Policy

NH Global Credit Policy

nh
HOTELS

 **nh** COLLECTION
HOTELS

nhow
HOTELS

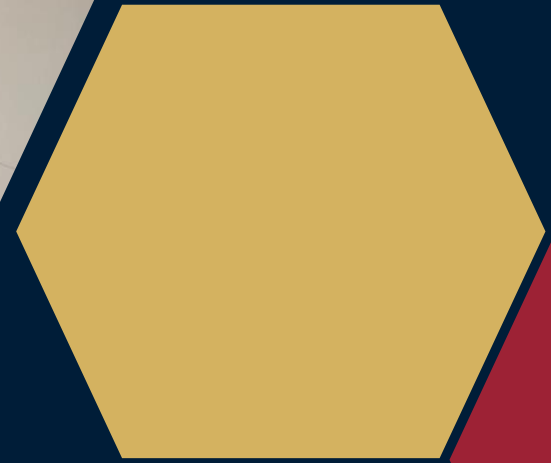
TIVOLI
HOTELS & RESORTS

 **ANANTARA**
HOTELS-RESORTS-SPAS

AVANI
HOTELS

 **elewana**
COLLECTION

 **PAKS**
HOTELS & RESORTS



Global Credit Policy and its importance

“Are clear and written guidelines that set the terms and conditions on credits, customer qualification criteria, procedure for making collections, and steps to be taken in case of customer non-compliance.”

Ensure cash flow is maximized.

Better control of our Account Receivables.

Limit bad debts and risk

Company financial resources are optimized to achieve organizational goals.

Main Users:

The Corporate Credit Policy applies to all the NH Hotel Group stakeholders in the Credit Management process:



A decorative graphic on the left side of the slide. It features two vertical lines at the top: a thin white line on the left and a thicker black line on the right. Below these lines is a black hexagon with a white border. Inside the hexagon, the number '01' is written in a white serif font.

01

Type of Credits

The Corporate Credit Policy split the credit lines based on three dimensions: Customer location; Business location (hotels) and total amount requested.

1.1

TYPE OF CREDITS

CHAIN LEVEL

Main invoicing
amount is in NH
Worldwide.

APPROVAL LIMITS

APPROVER

<100K€

>100K€

HQ Credit Manager

X

X

HQ Credit & Risk
Committee

X



1.2

TYPE OF CREDITS

COUNTRY LEVEL

Main invoicing amount is in hotels within the same Country.

APPROVER	APPROVAL LIMITS			
	<100K€	<200K€	<300K€	>300K€
BU Credit Manager	X	X	X	X
BU Credit & Risk Committee		X	X	X
HQ Credit Manager			X	X
HQ Credit & Risk Committee				X



1.3

TYPE OF CREDITS

HOTEL LEVEL

Main invoicing amounts is in a specific hotel.

APPROVER	APPROVAL LIMITS			
	<6K€	<20K€	<100K€	>100K€
Hotel Manager	X	X	X	X
Regional Op. Manager		X	X	X
BU Credit Manager			X	X
BU Credit & Risk Committee				X

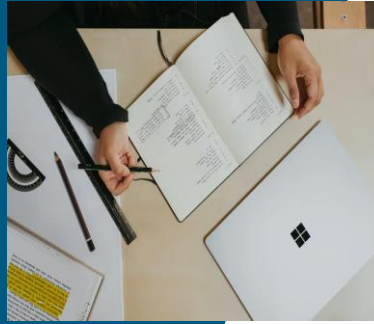




STEPS TO IMPROVE THE CREDIT CONTROL

Step before starting the Credit process

CUSTOMER ANALYSIS BY SALES



BUSINESS RELATION

Analyze the expected business with this client.



REVENUE

The credit requested amount must be in accordance with the business and the client, based on the estimated volume of sales .



PAYMENT TERMS

NH Credit Policy settled 30 days payment terms. Credit Manger will review exceptions

FIT FOR CREDIT?



KICK OFF CREDIT
REQUEST



PROCESS

The credit requestor must be able to include all the document requested in each category.

Otherwise, the credit manager will not be able to process the request and the JIRA return to the requestor delaying the process.

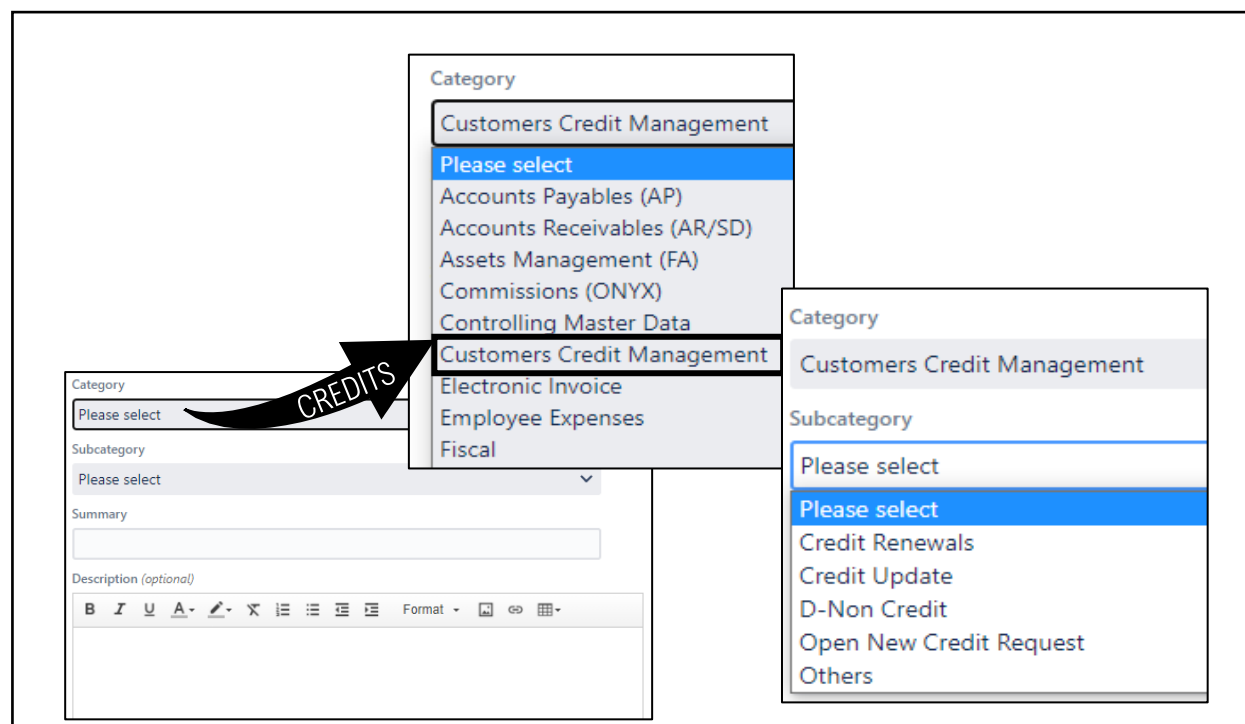
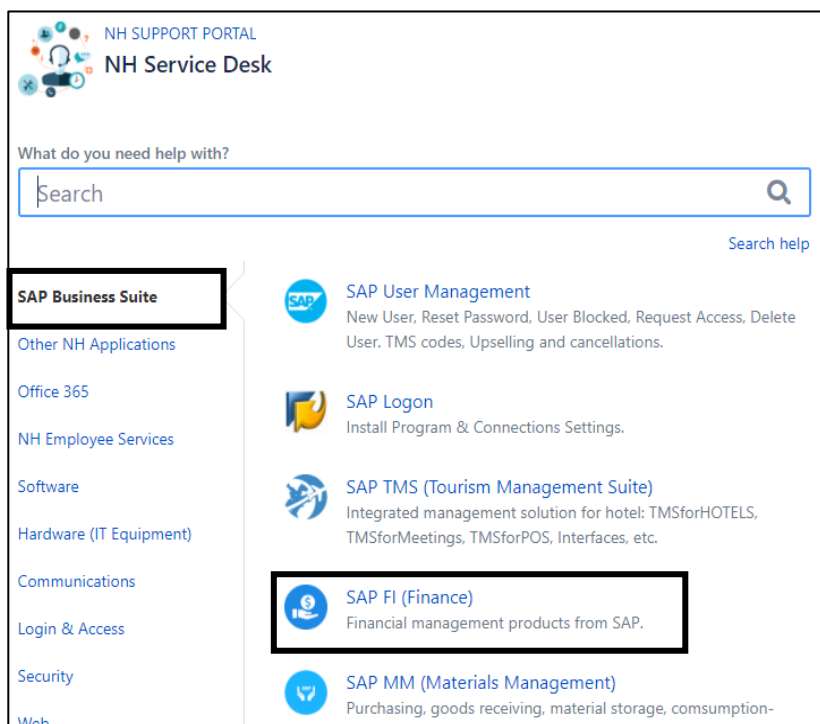


If everything is correctly done, this process will be quickly close.

2.1

OPEN A JIRA

NH Support Portal main page shows the links to all customer portals projects whom you have access rights, the most recent categories that you used and the search help bar.



In each category there are mandatory attachments that you need to fill in to complete the request.
In the following pages you will find the detail for each category.



Request that don't have all the mandatory information and attachments will be rejected.



JIRA REQUEST PROCESS

CUSTOMER CREDIT MANAGEMENT

Category > Customers Credit Management

CHOOSE A SUBCATEGORY ACCORDING TO YOUR NEEDS...

Open New Credit Request

Credit Update:

To modify an agreement already approved.

Credit Renewals

Others



USER MANUAL WITH THE MANDATORY DOCUMENTS
REQUESTED IN EACH SUBCATEGORY



IMPORTANT REMARK

Many times, the credit manager asks for more information or to attach a document in the JIRA in order to proceed with the opening or analysis of the credit. It is very important when answering, to **CLICK ON BACK TO ANALYST**; in this way the credit manager will know that request has already been completed and that the JIRA is back to “pending analysis” status.



NH SUPPORT PORTAL / NH Service Desk / NHSD -123456

CREDIT REQUEST



Comment on this request...



WITH CUSTOMER



Don't notify me



Share



Cancel Issue



Back to Analyst

Activity



CREDIT MANAGER

07/Mar/22 3:14 PM

LATEST

Hi,

Can you please attach positive solvency report and GM's approval?

Thanks

Shared with

2.2

SOLVENCY



Solvency is the ability of a company to meet its long-term debts and financial obligations. **It is a way of testing a company's ability to pay off their debts in the future, hence measuring the risk of our exposure to them.**

"The only goal of an organization is to make money, now and in the future; the remaining objectives are mere means to achieve this goal."

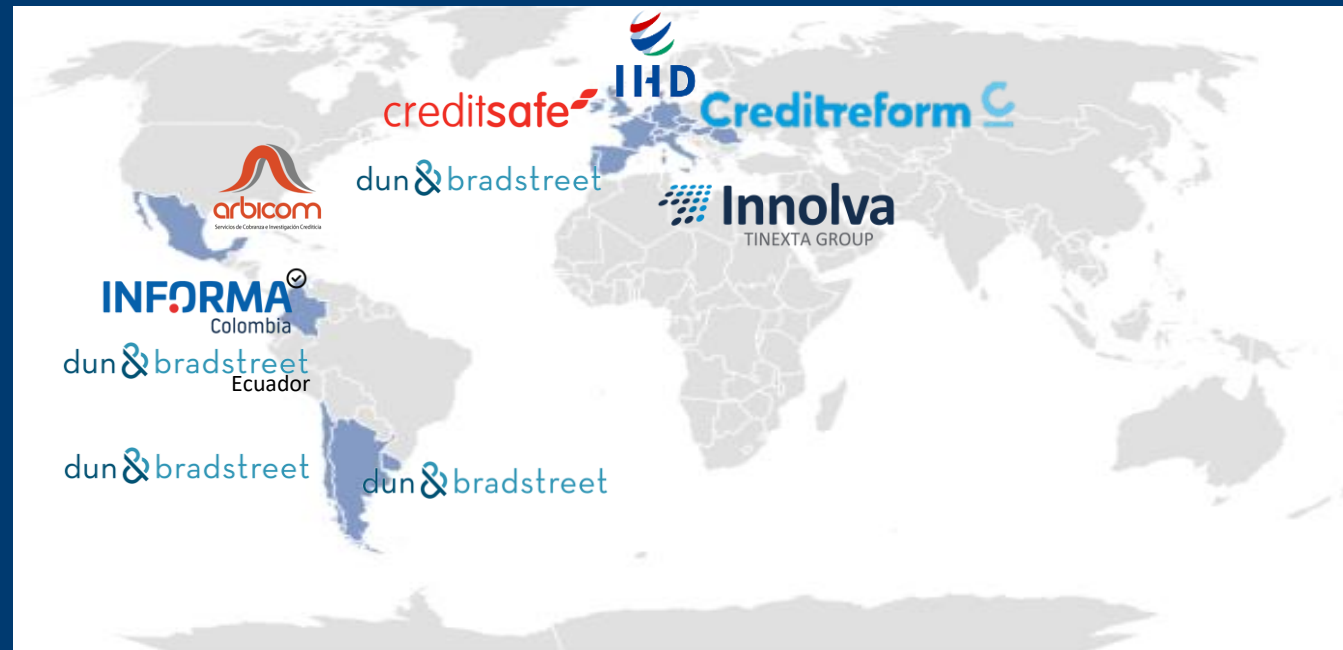
E. Golfratt – The Goal

RATING & SCORING COMPANIES

These are our partners that allow us to screen our clients, actively monitor risk changes, radically streamline the reporting process, and drive operational efficiency through automation.

They provide comprehensive, continuously updated data integrated to help us manage our risk.

WORLDWIDE
dun & bradstreet
(800 clients)



BU SOUTHERN EUROPE

- **Spain:** Dun & Bradstreet
- **Portugal:** Dun & Bradstreet
- **France:** Dun & Bradstreet
- **Italy:** Innolva

BU NORTHERN EUROPE

- **Netherlands:** Creditsafe
- **Belgium:** Creditsafe
- **Luxemburg:** Creditsafe
- **United Kingdom:** Creditsafe
- **Ireland:** Creditsafe
- **Denmark:** Creditsafe
- **Austria:** Ihd
- **Germany:** Ihd
- **Switzerland:** Ihd
- **Hungary:** Ihd
- **Czechia:** Ihd
- **Romania:** Creditreform

BU AMERICA

- **Mexico:** Arbicom
- **Colombia:** Informa
- **Ecuador:** Dun & Bradstreet
- **Argentina:** Dun & Bradstreet
- **Chile:** Dun & Bradstreet
- **Uruguay:** Dun & Bradstreet

2.3

CLIENT PAYMENT BEHAVIOR



**GLOBAL ACCOUNT
RECEIVABLE
DEPARTMENT**



**RATING & SCORING
COMPANIES**

T₁ E₁ A₁ M₃ W₄ O₁ R₁ K₅



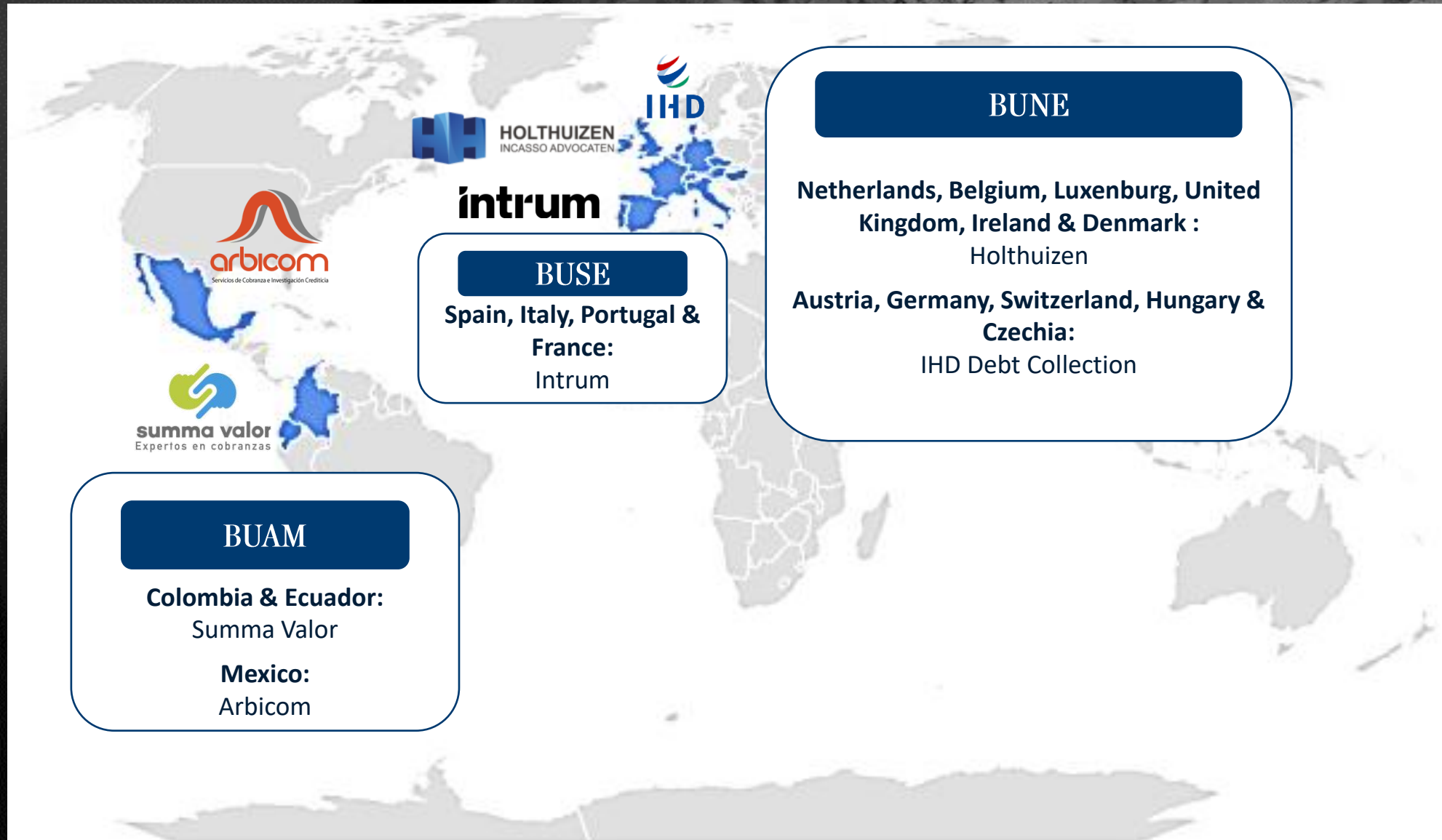
FOLLOW UP



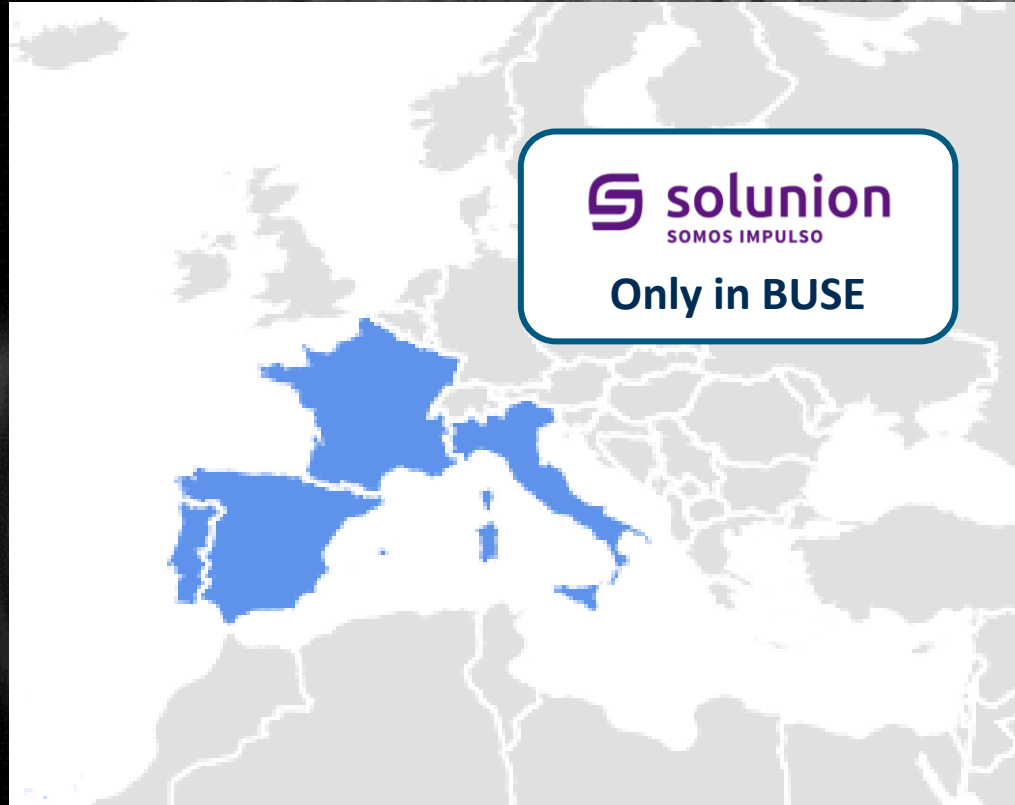


IF EVERYTHING FAILS??...

RECOVERY SUPPLIERS



INSURANCE COMPANIES



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03

FAQs & Important Remark

FAQ 1

How can I see the credit status in TMS?

In CRM transaction: /CCSHT/MT02_HU

Credit control for client 1019696375.							
Customer:	1019696375	TRAVEL FACE SL	Rating:				
Credit Manager	004	RAQUEL VILLALBA RODRIGUEZ					- r.villalba@nh-hotels.com
Collector Manager	002	BU southern europe					
Assignment level	Assignment	Descrip.	Credit limit	Curre...	Status	Pay...	Review Date
Country	ES	Spain	20.000	EUR	Approved	C030	31.03.2023

FAQ 2

Should I open a JIRA per PID?

YES, in every case with the following exception:
PID Mother covers, in a credit signed contract, their involved companies' s credit risk

FAQ 3

Should I include any additional information in the credit contract?

YES, in every case it should be included the billing procedure:

- PID to invoice
- Shipping invoice Address
- Commission Procedure agreed
- Any additional special request - Airlines, Groups, MICE...

FAQ 4

Can a credit be authorized receiving a negative solvency report?

NO, unless we received a payment guarantee.

FAQ 5

Which is the credit amount to be requested?

The amount is based on the total revenue & the payment conditions:



- TOTAL ANNUAL REVENUE: 120K EUR
- PAYMENTS TERMS AGREED: 30 days (monthly payments)
- CREDIT TO REQUEST: 120K EUR/12 months = 10K EUR

FAQ 6

For events, which is the amount to be requested in the JIRA?

Should follow the Group/MICE Policy requirements:

- % Prepaid
- % Credit (amount to be requested)

FAQ 7

When should we renew the credit line already approved?

Renewals should be based on the credit contract agreed shown in CRM review date.

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Customer:	1019696375	TRAVEL FACE SL	Rating:				
Credit Manager	004	RAQUEL VILLALBA RODRIGUEZ					
Collector Manager	002	BU southern europe					
Assignment level	Assignment	Descrip.	Credit limit	Curre...	Status	Pay...	Review Date
Country	ES	Spain	20.000	EUR	Approved	C030	31.03.2023



THANKS

GLOBAL ACCOUNT RECEIVABLE

Talent wins games;
but teamwork wins
championships.
- Michael Jordan

[CLICK HERE TO
WATCH THE VIDEO](#)

