GROUPE ADEO & HRS: A CASE STUDY ON GLOBAL STRATEGIC LODGING PROCUREMENT, SUSTAINABILITY & ENHANCED ADOPTION

-6,5%
COST AVOIDANCE VS. PUBLIC RATES

84% ↑
PROGRAM ADOPTION VS. 34% BEFORE HRS

-10% ↓
KGS CO2 PER ROOM NIGHT**

98% ↑
VCC ACCEPTANCE

*KPIs relate to 2023 vs. 2022
**KPIs relate to 2023 2024 YTD

ABOUT GROUPE ADEO

Industry: Retail
Employees: 110,000
Turnover: 30.7B€
HTO: ~ 5M€ (2023)
Room Nights: ~45,000 (2023)

Key Objectives:
1. Cost Savings
2. Traveler Satisfaction
3. Sustainability

Key Challenges:
→Decentralized Procurement
→Low Program Adoption

HRS Solution:
LAAS Prime (end-to-end from procurement to payment)

Covered Lodging Segments:
Transient

Travel Ecosystem Setup:
KDS (OBT), AirPlus (Payment), CAP5 (TMC)

INITIAL SITUATION

Groupe Adeo, part of the vast Mulliez Group, stands as a leader in the global home improvement retail market. Originating in 1923 and evolving into Groupe Adeo in 2007, it comprises 6 brands, including prominent names like Leroy Merlin and Bricoman. With a turnover of €30.7 billion in 2023 and a global workforce of 110,000 across 21 countries, it is the premier home improvement retailer in France and ranks third worldwide.

Despite its dominance in France and significant global standing, Groupe Adeo faced several challenges that prompted a reevaluation of its procurement, travel, and expense management strategies, leading to a pivotal collaboration with HRS.

Decentralized Procurement: Due to its wide range of brands and Groupe Adeo suffered from a decentralized procurement approach leading to operational inefficiencies and missed savings opportunities. Therefore, they established the Société de Recherche Synergies (SRS) aimed to centralize and optimize procurement across the group's entities, fostering efficiency while allowing brands to maintain autonomy over supplier selection.

Low Program Adoption: Before the HRS partnership, Groupe Adeo's use of its existing travel and expense management system suffered from low adoption rates among its employees. This was largely due to the system's inadequacy in meeting the users' needs and preferences, resulting in inefficiencies and dissatisfaction.

Thanks to our partnership with HRS, we have seen a noticeable increase in the adoption rate of our services and achieved significant cost reduction compared to the raising public rates. In addition, we have managed to reduce our carbon emissions. The introduction of a centralized payment solution has strengthened our purchasing strategy, improving cost control and visibility. It has also contributed to the satisfaction of our users, marking a positive milestone for the Adeo Group.

Anne-Sophie Rigal,
Indirect Purchasing Project Manager

ABOUT THE PROJECT

Addressing these procurement and program adoption challenges, Groupe Adeo initiated a strategic alliance with HRS in August 2021 through a three-year contract focusing on their lodging management end-to-end. Key drivers for choosing HRS included their procurement expertise, attractive rates, and the successful precedent set by Auchan, a satisfied client within the Mulliez family. HRS's extensive services promised to meet Groupe Adeo's comprehensive travel management needs.

SAVINGS: A critical goal was to achieve financial savings across travel and expense management. The partnership managed to avoid substantial costs compared to sharply rising public rates, demonstrating the efficiency of the strategic procurement approach adopted.

SUSTAINABILITY: Groupe Adeo and HRS committed to reducing the carbon footprint associated with travel. This endeavor led to a 10%** reduction in carbon emissions per room night, showcasing their dedication to environmental stewardship.

TRAVELER SATISFACTION & ADOPTION: Enhancing the user experience and increasing adoption rates were pivotal. The project saw an impressive leap in program adoption, from a modest 50% to an outstanding 84%. This surge in adoption underscores the effectiveness of the newly implemented systems and processes. Furthermore, the acceptance of Virtual Credit Cards (VCC) reached 98%, indicating high compliance and satisfaction with the payment solutions provided.

These results exemplify the project's success, positioning it as a model for conglomerates refining their travel and expense management.