Rio Tinto & Mastercard: Lido integration

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Background

From its diverse portfolio, Rio Tinto supplies the metals and minerals that help the world to grow. Its major products are aluminium, copper, diamonds, gold, industrial minerals (borates, titanium dioxide and salt), iron ore, and uranium.

Rio Tinto employs 47,000 people in 35 countries across six continents. With wide-ranging operations, including many remote locations, Rio Tinto has very unique Travel Management requirements. Consequently, the Procurement team is often challenged to find new and creative ways to meet the bespoke needs of the business.
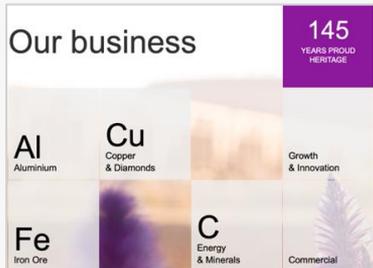
The Challenge

One of Rio Tinto's key mining businesses required finding and managing thousands of rooms each year for its workforce. Rio Tinto needed an efficient way to book, pay, and reconcile all of those expenditures.

Previously, they relied on a team within its Service Centre to make hotel bookings directly and to manually send invoices each month. The team would then try to reconcile the expenses, sometimes with limited information, and undertake a lengthy process to pay the hotels.

Over time, Rio Tinto worked with its Travel Management Company to develop an interim solution, supported by Rio Tinto's card provider. This delivered significant improvements. However, when Rio Tinto ultimately chose Mastercard as its new global card provider, new opportunities opened up to together deliver an enhanced solution.

"The legacy processes were inefficient, added little commercial value to the business, and relied on people to manually manage reconciliation processes."

— **Michael Molloy**
Leader - Travel and Expense Management, Rio Tinto

The Solution

The rollout of Rio Tinto's new global Mastercard program included Corporate Cards, Purchase Cards, and Central Travel Accounts. Mastercard recognised that while existing solutions provided some benefits to Rio Tinto, they were not optimal to support booking and reconciling thousands of hotel rooms.

Consequently, Mastercard prioritised its work with Lido, the accommodations aggregator, to seamlessly integrate these hotel bookings into Rio Tinto's commercial program. Leveraging over 30 years of experience in the industry, Lido has developed one of the most advanced hotel chargeback (bill back) solutions in the world and works with key hotel properties across Australia and New Zealand.

In addition to card solutions, Lido offers additional benefits, including:

- Improved traveller experience
- Provision of full folio detail to improve reconciliation
- Rate validation and policy enforcement
- GST-compliant reports

"Mastercard has been extremely creative and responsive in finding a solution that meets our bespoke needs and requirements."

— **Michael Molloy**

Leader - Travel and Expense Management, Rio Tinto

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The solution focuses on Lido's direct integration and relationship with hotel properties, with payments made via a Mastercard Central Travel Account. This connectivity with hotels ensures that all enhanced (folio) data is passed directly with each transaction, enabling efficient reconciliation by Rio Tinto.
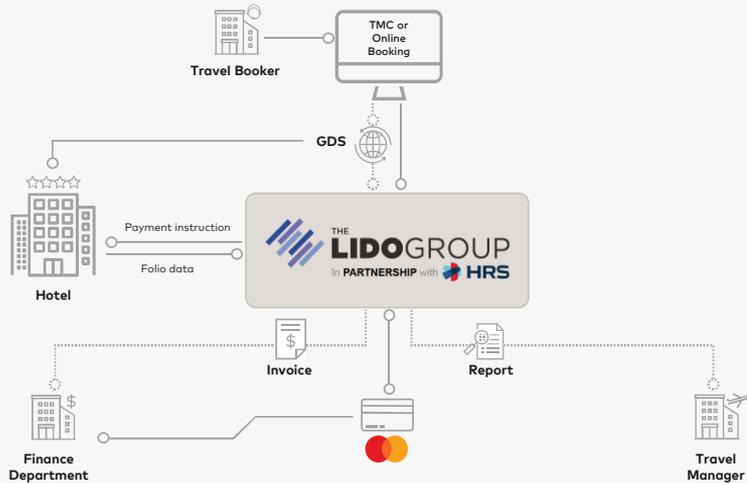
The table below highlights some of the benefits that have been important for Rio Tinto in leveraging the Mastercard and Lido solution for these hotel bookings:

Solution Benefit	Details
Travel program integration	Follows the standard process of booking (via the Travel Management Company), with no bespoke processes to manage, and assists with traveller visibility and security.
Detailed data and reporting	Integration with the hotel properties enables the provision of invoice-level (hotel folio) data to be passed with the individual transaction charge (no need to wait for complex data-matching processes).
Proactive policy enforcement	Provides proactive rate validation, and captures and flags any policy exceptions with the hotel directly. This enables clients to achieve policy enforcement and obtain agreed-upon hotel rates.
Timely reconciliation	Provides all the data to enable automatic reconciliation via a single report (in GST-complaint format), and employees do not have to wait to submit expenses.
Minimise transaction disputes	Reduces transaction disputes after the costs have already been incurred by proactively enforcing policy with the hotels.
Streamlined payment process	Provides integration between the Travel Management Company and Mastercard Centralised Travel Account, eliminating manual reconciliation and payment of invoices.
Card program rebates	Transactions are charged to the Mastercard Centralised Travel Account, earning the business rebates from the provider.

Solution Overview

Any data captured, including pre-trip approvals, booking information, and project codes, can be passed with the transaction. Enhanced data with every transaction also enables detailed analysis and can assist Rio Tinto in designing and enforcing their travel policy.

Having deployed the program for Rio Tinto within 4 to 5 weeks, Mastercard and Lido now have a plug-and-play solution available for clients across Australia and New Zealand.

"Working with Lido has enabled us to provide an alternative to the traditional closed-loop payment solutions, and has allowed us to offer greater data accuracy and speed of provision to meet the needs of Rio Tinto."

— Asha Cugati

Vice President Commercial Payment Solutions, Mastercard

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Summary

Starting from the most basic of solutions, Rio Tinto was able to work with Mastercard and Lido to successfully implement the hotel chargeback process. This delivered significant organisational benefits and reduced manual effort and workload within their Service Centre. The illustration highlights the evolution of the booking, payment, and reconciliation process, and how the solutions delivered against the key requirements for Rio Tinto.

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Legacy Manual Processes	**Leveraging Card & Travel Management Company**	**Fully integrated Hotel Chargeback Process**
Manual bookings direct with the hotels, and invoices and payments via a time consuming purchasing processes	Bookings via the Travel Management Company process, and invoice data matched to payments via a central card	Bookings via the Travel Management Company, leveraging the Lido solution to automate data capture and payments
✗ Travel program integration	✓ Travel program integration	✓ Travel program integration
✗ Detailed data & reporting	✓ Detailed data & reporting	✓ Detailed data & reporting
✗ Proactive policy enforcement	✗ Proactive policy enforcement	✓ Proactive policy enforcement
✗ Timely reconciliation	➖ Timely reconciliation	✓ Timely reconciliation
✗ Minimise transaction disputes	➖ Minimise transaction disputes	✓ Minimise transaction disputes
✗ Streamlined payment process	✓ Streamlined payment process	✓ Streamlined payment process
✗ Card program rebates	✓ Card program rebates	✓ Card program rebates

"The deployment was completely seamless to the end users, and the process has greatly simplified the effort for Rio Tinto"

— **Michael Molloy**

Leader - Travel and Expense Management, Rio Tinto

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RIO TINTO & MASTERCARD: LIDO INTEGRATION

An important consideration for Rio Tinto was to work with a single, global card provider. Lido integration fulfilled that requirement in conjunction with Mastercard solutions, which helped capture Travel & Entertainment and Business-to-Business spend across the organisation.

Rio Tinto is now looking ahead to grow its relationship with Mastercard, and working to identify additional opportunities to enhance its current payment processes.

"This solution means we are able to access a comprehensive suite of payment products from a single global provider, and there is no need to manage multiple suppliers or processes."

— **Michael Molloy**
    Leader - Travel and Expense Management, Rio Tinto

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