

Big Interview: New Youtravel boss puts faith in the power of partnerships

By Lee Hayhurst | 05 March 2014 at 08.24 GMT [0 Comments](#)

Youtravel chief executive Roula Jouny gives her first trade interview since being appointed. Lee Hayhurst reports



When German company FTI Group took an 85% stake in Youtravel.com in 2012, it brought to a close a torrid 12 months for the bed bank.

The accommodation-only sector is one of the trade's most cut-throat and Youtravel was up against some mighty rivals, not least the likes of Thomas Cook-owned Hotels4U/Medhotels.

Youtravel's attempts to sort out debt problems by offering hoteliers reduced payment terms caused consternation and even led to claims it was undermining the whole sector.

Less than two years on, and Youtravel has put its troubles behind it and is now predicting significant growth in the UK and overseas as a fully integrated division of FTI.

At the time of the FTI deal, Youtravel management promised the clout of its new German parent would allow it to expand its product range and offer better service all round.

The firm's new chief executive is Roula Jouny, who has also run FTI's destination management company Meeting Point since she helped found it in 2009.

Jouny's joint role at the helm of Meeting Point and Youtravel makes sense, as the former is now its sole supplier of hotel product.

The tie-up means 30% of Youtravel's product range is now exclusive and its firmer financial footing has seen confidence return among agent partners.

"For the last year and a half Youtravel has been a customer [of FTI's] but you can't have a business that's got so many different players in it," said Jouny.

"You cannot have the supply chain and the distribution chain as separate companies. So what we have done is look at the various different functions within the overall group."

Meeting Point is a global business with a presence in 17 countries having just added Cuba, Mexico, Dominican Republic and Morocco.

Its four operating heritage means in many of these locations it has its own lease-managed properties.

In the key destination of the Canary Islands, for example, which has experienced supply constraints due to problems in Egypt displacing demand, it has 15 such properties.

In addition, a decision has been taken to use the Youtravel brand to spearhead FTI's international expansion in the business-to-business dynamic packaging sector. FTI owns another bed bank brand, Hotel Shop, but that will now only be used internally.

This promises significant future growth. Due to the expansion of its product range through Meeting Point, Youtravel is predicting the value of the business it transacts will more than double from just under £100 million to £220 million.

Youtravel has also taken on expertise from Hotels4U/Medhotels, which saw a slew of management departures last year as Thomas Cook sought to better integrate its operations.

Previous chief executive Jacky Bedlow had come from Hotels4U/MedHotels, as had chief marketing officer Andy Baker, now sales director, and chief operating officer Ranj Kundi, who was made head of commercial. In May, a new more trade-friendly website will go live on a unified technology platform that will further help Youtravel exploit the synergies of being a part of FTI.

"After the acquisition we decided to treat Youtravel as one of the group's companies. It had been very much an independent company acting on its own," said Jouny.

"Today the company is fully integrated within the group using business synergies, and its buying power has increased a lot.

Youtravel says it is looking to follow a very traditional business to business model with more face-to-face meetings with agents, fam trips and product contracted to meet trade partner demands.

Jouny said: "We do not want to compete against our own customers. We should be making them stronger instead of competing against them."

Baker said it is a "no-brainer" that Youtravel will target agents that are strong partners of Thomas Cook-owned Hotels4U/Medhotels.

"We know what it takes to get agents switched on. You can have the cheapest product but we know if service levels are crap agents will put a mark-up on you.

"We have made changes in our operations and administrations team so if there are issue we can resolve them very quickly.

"The whole dynamic packaging concept was to help indies compete with the direct supplier tactics of the big guys. That is still our ethos."