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**Rewarding times**

*That corporate India values employees even during recession can be seen from the growth of the employee loyalty and reward company Accor Services in India..*



*Gift of learning: Accor Services is involved in the education of under-privileged girls, through a voucher initiative.*

Rasheeda Bhagat

A concrete indicator of how companies value people, even during times of economic recession, can be seen in the close to 40 per cent growth registered in India by Accor Services Pvt Ltd, the largest player in the employee and public benefits and rewards and loyalty services space in the country.

Even though this was less than the budgeted growth of 65 per cent over last year, Sandeep Banerjee, the company's CEO and Managing Director, says the budgeting was done last October before the full impact of the economic slowdown was felt. "The previous year we had registered a very strong growth rate of 45 per cent; but the current growth rate during such difficult times is not bad at all."

He says the employee loyalty and rewards market has not declined for the simple reason that "organisations are investing in the high-performing employees, focussing a lot more on productivity and efficiency, so from the same employee they are asking for more bang for the buck."

Part of the French multinational Accor SA Group, this international player operates in mainly two lines of business — hospitality in 100 countries (with brands such as Sofitel, Novotel, Ibis, etc) and services in 40 countries. In India, Accor Services has over 3,000 corporates as its clients in 175 cities and its services cover nearly 4 million users.

Ticket Restaurant, Ticket Compliments and Ticket Service are the key brands under Employee and Public Benefits and under Reward and Loyalty it operates in the name of Accentiv'.

#### Accor Products

The services include the Ticket Restaurant Meal Vouchers and Ticket Restaurant Plus; both aim at providing selected employees healthy meals. The latter is a smart meal card for cafeterias, offering "a secure, cashless and hassle-free cafeteria management solution," says Banerjee.

The meal vouchers work in different ways; larger organisations have their own cafeterias where these vouchers can be exchanged for meals. The other option is using them in food courts.

In some cases they can also be used in fine dining restaurants, but only in Accor-affiliated ones. "We already have nine properties up and running in India, including the Novotel at the Hi-Tech city in Hyderabad, Ibis hotels in Gurgaon and Pune and a Sofitel will be commissioned in Mumbai in nine months."

Tracing the history of the meal voucher, Banerjee says 45 years ago "we invented this category under luncheon vouchers in the UK. Those days very few people took a break from work and that was not good for the organisation in fostering social interaction." With the company wanting to encourage employees to take a lunch break, the vouchers were introduced as a flexible food solution. On the cards is extension of more employee benefits in India which are already available elsewhere. These would include preventive healthcare vouchers, which can be used in private hospitals or diagnostic centres or even at VLCC, and child-care facilities for working couples.

With the Indian business growing close to 40 per cent even in slowdown times, Banerjee is bullish about Accor's performance next year. "For two reasons; we all know about the decoupling story of India. Two, the penetration level of the employees loyalty and rewards programme here is still low." Armed with a five-year plan, which puts the reward and loyalty market in India at a whopping Rs 2,500 crore in the business-to-business (B2B) segment, he sees huge opportunities in India. "Newer

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organisations, understanding the importance of rewards and loyalty, are reaching out to us.”

His major clients in India include all the big names in the banking and insurance sector; private banks such as Citi, HDFC, ICICI, Standard Chartered, etc, most insurance companies, and big players in the IT space such as Microsoft and Hewlett Packard. In some public sector banks such as the SBI and even government insurance companies, the programme revolves around retaining clients, motivating and providing incentives to channel partners, rewarding agents (insurance companies) and even rewarding employees.

#### Beyond urban focus

Banerjee agrees that till now the beneficiaries of such services have been those working in urban areas. “Both employees and public benefit are important to us. So, in many countries, we work closely with the government, NGOs and local municipalities to find out how social benefits can be reached to the underprivileged in a targeted manner to promote social equity,” he says. For example, in the UK, Accor manages the milk token programme funded by the government through prepaid vouchers or cards. “We reimburse the merchants and get the funding directly from the government or the municipality.”

In India, Accor Services wants to get involved in the public distribution system (PDS) initiative. “In fair-price shops, very often the entitlement is not complete, the shops are often stocked out and sometimes the foodgrains are diverted and sold in the open market at higher prices. The government is very keen to plug this leakage in the system and ensure the targeted beneficiaries get the entitlement.”

On how his company would be involved, he says, “We are saying, ‘why not manage it through a programme like the food stamp programme in the US, where the beneficiaries are given vouchers that can be exchanged for foodgrains/groceries.’ And we can manage the payment through banks. As I talk to you, a pilot is being implemented in some States, such as Bihar and Jharkhand.”

That is, of course, being implemented by the State governments but “we are watching it very closely as this is a programme where we can definitely drive value,” he adds.

#### School vouchers

Another area close to Accor’s heart is education. The company runs large education projects in countries such as Italy and Chile. With the HRD Minister, Kapil Sibal, having taken “some very bold steps in education”, Accor Services has got involved in a pilot project in Delhi where under-privileged girls have been given education vouchers, each with an annual value of about Rs 4,000. These can be exchanged for quality education in a private or public school chosen by the parents.

The campaign is called “School Choice” and the second phase of the programme, run by the Centre for Civil Society and facilitated by Accor Services, was launched on July 22. Under this phase, 400 girls from poor families in Delhi were given vouchers for four years. These girls, explains Banerjee, are already studying in Std II of government schools and their parents will now choose English-medium private schools from a list, where their daughters will complete their primary education. “We will manage the entire transaction ecosystem, including secure voucher printing, maintaining records, affiliating the partner schools and managing the payments to the schools.”

He adds, “We are uniquely positioned in this services segment and for me the big clarifying moment is that through our programmes, somewhere we touch lives, be it in the corporate sector or working with underprivileged people. And that is a unique opportunity.”

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