

MTR Corporation

Purchasing cards to streamline procurement process

Case Study

The Client Hong Kong-based railway operator MTR Corporation is regarded as one of the world's leading railway operators, with operations in Hong Kong, Mainland China, UK, Australia and Sweden. In addition to railway operations, MTR Corporation is involved in property and railway-related businesses such as property development, leasing and management, advertising, and telecommunication services, as well as international consultancy services with coverage across Asia, Australia, the Middle East and Europe. Citi has been MTR Corporation's banking partner for more than 15 years.

The Challenge MTR Corporation implemented a purchasing card solution more than a decade ago to streamline the process of handling low-value purchases. To suit the company's accounting requirements, MTR Corporation has also developed an in-house "Purchasing Card Cost Allocation System."

In 2010, MTR Corporation invited tenders for its new purchasing card contract and was looking for an integrated solution which could provide the following functions:

- Issuance of purchasing cards for cardholders to handle low-value purchases.
- Maintenance of the cardholders' profiles.
- Merchant acquiring services to increase the number of suppliers who would accept purchasing cards.
- Provision of a web-based system for statements verification; transaction records enquiries; cost allocation and statement authorization.
- Provision of management reports.

The Solution Through a competitive tender and after reviewing the range of purchasing card solutions that were available in the market, MTR Corporation made the decision to implement Citi's integrated purchasing card solution, which includes the following key components:

- MasterCard-branded Purchasing Card
- Citi's merchant acquiring services
- Citi/MasterCard Expense Management System
- CitiManager®, Citi's proprietary custom reporting tool

The implementation project was completed in stages including customization to address specific data collection and reporting requirements for MTR Corporation.

The Result

The new purchasing card solution has empowered MTR Corporation with greater control and visibility over the low-value purchases undertaken by cardholders without compromising operational efficiency. Moreover, as the solution also provides an expense management function, MTR Corporation no longer needs to maintain its own Purchasing Card Cost Allocation System.

Based on the success of the program, Citi looks forward to expanding its card services to MTR Corporation to cover travel and entertainment (T&E) expenses management for employees.

“We have been using purchasing cards for a number of years to manage low-value purchases. With the integrated purchasing card solution provided by Citi, we look forward to further enhancement in streamlining and increasing the visibility of the transaction processes and expense management and reporting.” – Daniel Yu, Purchasing Manager, Property & Corporate Services