

Philips China cuts more than US\$1.3 million in travel spend

INNOVATIVE HOTEL PAYMENT SOLUTION IMPROVES INDUSTRY STANDARDS AND DRIVES SAVINGS

Challenge

Philips China's corporate goal was to cut down wasteful travel spending but had yet to realize the full value of BCD Travel's negotiated hotel rates. Business travelers often booked outside approved travel channels and were weighed down by a cumbersome expense reimbursement and tax compliance process.

Approach

Working closely with finance leadership, BCD developed the Hotel Payment Solution to increase booking channel compliance and make the Chinese expense reimbursement and tax compliance (fapiao) process cost-effective, paperless and efficient.

Results

- Philips China realized more than US\$1.3 million (CN¥9.065 million) in savings in 2025, thanks to a 17% reduction in the average room rate per night in Chinese domestic business travel hotel expenses.
- Saved more than 12,000 employee hours in 2025 by eliminating around 144,000 fapiao issuances.
- BCD and Philips China helped to further develop business travel industry standards in the region.

Philips, a global leader in health technology, aims to improve people's health and well-being through meaningful innovation. Innovation is at the heart of everything they do, with one consistent belief: there's always a way to make life better. In 2025, BCD worked with the Philips China team to launch the Hotel Payment Solution, elevating business travel industry standards in China by adopting a more compliant, digital and transparent approach.

Challenge

Philips China's corporate goal was to eliminate wasteful travel spending and bring non-policy compliant travel and expense spending under the managed travel program. But despite BCD having already negotiated excellent corporate rates with hotels for Philips China, usage of those rates remained low due to an inefficient payment process.

This resulted in travelers frequently booking outside the approved channel and Philips China incurring a 15-20% higher cost per room per night.

However, increasing the utilization of these negotiated hotel rates among business travelers seemed daunting, especially in the face of a cumbersome "fapiao" system. This very specific expense reimbursement and tax compliance process unique to China often relies heavily on paperwork and is especially inefficient without digitalization and automation in place.

Approach

BCD, working closely with Philips China, launched an innovative Hotel Payment Solution that:

- Offers a centralized payment solution for hotel, rail and air ticket expenses that streamlines the payment process.
- Elevates business travel industry standards in China by adopting a more compliant, digital and transparent approach.

To do this, BCD engaged closely with the Philips China's finance leadership to proactively understand their needs and tailor product solutions to suit them, effectively getting the two organizations to move towards a solution in complete alignment.

BCD's technical team then tailored a Concur system integration and API data interaction, so Philips would meet compliance requirements and policy controls. The resulting Hotel Payment Solution ensures real-time data updates across all integrated systems to enhance operational efficiency and control. It provides strong database and business intelligence tools for cost management and compliance checks reporting.

BCD also fostered a deep understanding of the solution by conducting product demonstrations to the Philips finance team, with support from BCD China's leadership and program management teams.

Philips Global at a glance

Industry: **Healthcare equipment and services**

Global Headquarters: **The Netherlands**

Presence: **100+ countries**

Number of employees: **68,000+**

Annual revenue: **US\$18 billion**

BCD's goals for Philips China

- Help Philips China realize the full value of BCD's negotiated hotel rates by creating workflows that drive higher booking channel compliance among travelers.
- Increase booking channel compliance through the TripSource China online booking tool (OBT) or through BCD agents (offline) so that Philips' travel policy is applied systematically.
- Collaborate with Philips' finance team and upgrade payment processes that minimize reconciliation effort for finance team and expense claim effort for travelers.
- Make the expense reimbursement and tax compliance (fapiao) process cost-effective, paperless and efficient.
- Identify air, hotel and car suppliers that are best fit with Philips' business travel needs and negotiate preferred rate agreements with them. Ensure those rates are fully utilized for travel cost optimization.

Results

Thanks to increased usage of negotiated hotel rates and booking channel compliance compared to 2024, Philips China realized a 17% reduction in the average room rate per night in Chinese domestic business travel hotel expenses.

This translated to savings of US\$1,378,801 (CN¥9,614,655) in 2025, a number impossible to achieve in a mature travel program like Philips' without deep innovation from BCD.

This project enhanced employee experience and yielded significant productivity gains by streamlining the fapiao and expense reimbursement process. Compared to 2024, this project eliminated around 144,000 fapiao issuances and saved more than 12,000 employee hours in 2025.

BCD was able to make this impact because of its close collaboration with the Philips China team – solving a complex problem through conversations with our partner and a strong understanding of how to effectively deploy new technology that fits with a client's needs.



The Hotel Payment Solution is a great example of how the whole team pulled together, lifting industry standards to a more compliant, transparent and digital way of working. We were able to lock in full BCD hotel booking compliance and streamline channels, all while sticking closely to Philips T&E guidelines to hit our saving targets.

Fei Wang

Category Manager Travel & Expense, APAC Philips



During the end-to-end process of my business trips, I don't need to pay for expenses or go through the work of collecting fapiaos or other paperwork receipts. This helps me save time for reimbursement and avoids missing items to claim.

Philips China frequent traveler



We set out to improve the utilization of negotiated hotel rates, which we achieved. However, the positive impact on frontline employees due to the new, systematic way of working and gaining on efficiency was a truly unexpected benefit that we were thrilled to realize. I hope other customers in China will deploy the hotel payment solution that has worked so well for Philips.

Michelle Qian

Program Manager, BCD Travel