

CASE STUDY

# LMX TOURISTIC

Geared for growth



## LMX OVERVIEW

2017/2018

A pioneer of dynamic travel.



*\*Source: FVW Tour Operator Dossier 2019*

Starting in the early 2000s, the first tour operators began to sell dynamic travel packages in which tour operators would assemble the customer's requested travel services into a package tour in real time. LMX was one of the first companies to recognise this opportunity early on, so the company needed mid-office software that would enable it to keep operating costs low as it grew.

### LMX Requirements:

- **Tourism know-how**
- **Efficient order processing**
- **Payment solutions**
- **Agency and service provider invoicing**
- **Margin calculation**
- **Growth**
- **Internationalisation**

### MIDOCO Strengths:

- **Automation**
- **Functionality**
- **Connectivity**
- **Customisation**

## CONCLUSION

LMX uses MIDOCO for scalable and efficient processes.

Stable and efficient operations are crucial to the success of LMX Touristik, and MIDOCO software provided the necessary framework right from the start.

Customisable system communication, connectivity, functionalities, and automation are the key design factors of LMX Touristik's mid-office landscape. Even after 14 years, MIDOCO is still making a strong and efficient contribution to the ongoing and growing success of LMX Touristik.



## COMPANY PROFILE

Flexible travel times at affordable prices.

LMX was founded in 2001 and is now an established company that ranks among the 20 largest tour operators in Germany. For several years, LMX has been awarded Focus Money magazine's prize for being the least expensive tour operator in Germany. When LMX started, their travel products consisted of packaged day-tours and separate travel options. Today, LMX's customers can choose from a large selection of customisable and classic package tours. LMX combines and calculates the travel offers in real time from the components of the journey (flight, hotel, transfers etc.) that are available at that particular moment. This production method guarantees LMX customers the best price. Moreover, LMX offers absolute flexibility in the choice of the desired travel period.

**(Source: <https://www.lmx.de/ueber-uns/>)**

## INITIAL SITUATION

Dynamic travel packages save costs.

One of the key advantages of dynamic packaging is that tour operators do not have to purchase and pay for the components of a tour package in advance. Moreover, dynamic packaging greatly shortens planning and lead times and delivers the best prices to the customer at the time of the inquiry. LMX had the technical background and the content know-how to develop software for the distribution of dynamically packaged travel services while MIDOCO provided the software for the downstream operations.

The main challenges were that:

- **the current systems were not able to map the special requirements of dynamic tour operators (functionality and automation),**
- **the resources for internal development were not available,**
- **LMX was under strong time pressures,**
- **the business model was not scalable without comprehensive process automation.**

## REQUIREMENTS

Elimination of manual processes.

The new tour operator model also created new processes in the mid-office sector. External mid-office software should ensure scalability as well as a fast and sustainable start into the market. First and foremost, the mid-office system had to:

- **automate as many processes as possible,**
- **map specific functionalities,**
- **have flexible communication architecture.**

In effect, this meant that the mid-office system, in particular with the goal of efficient order processing, could be used to:

- **automatically create and send travel documents and receipts,**
- **automatically carry out payment processing,**
- **perform agency and service provider billing,**
- **perform margin calculation,**
- **keep operating costs low,**
- **enable growth and internationalisation.**

Knowledge of the tourism sector was essential for the successful implementation of these requirements.



## MAIN TASK

Implementation of automated processes.

LMX needed to find software that would enable them to move to 100% automation. Enter MIDOCO, which had at least two unique selling points that made the difference. The first unique selling point was MIDOCO's automation capabilities, and the second was the range of web services that MIDOCO offered its customers. These exceptional web services enable MIDOCO's customers to implement bi-directional communication with MIDOCO. This is a cornerstone for the system's adaptability to meet the needs of different travel organisations.

Due to MIDOCO's ability for fast implementation and development, LMX was able to enter the market with dynamically created travel packages within only a few months. With automation and customisation of processes and a deep understanding of the tourism market, MIDOCO has contributed to the sustainable growth of LMX, and today LMX is one of the top tour operators in Germany.

## THE SOLUTION

The 4 factors for success.

MIDOCO identified four success factors for growth and stability in a mid-office landscape.

### — **Automation**

Reduce costs by eliminating manual work steps and at the same time also reduce possible sources of error.

### — **Functionalities**

Efficient order processing through MIDOCO's complete process mapping.

### — **Connectivity**

Due to the open communication architecture, including numerous interfaces with external booking systems and web services, all communication processes can be automated by MIDOCO.

### — **Customisation**

The bespoke configuration made it possible to represent the business model of dynamic tour operators in detail.



## RESULT

### Stability and growth.

MIDOCO Mid-office has been in operation at LMX for 14 years. The automation of many processes keeps costs low while at the same time increasing booking volume (2018: 240 million € travel turnover). The flexibility of the system makes it possible to constantly adapt to and implement new requirements, for example in the context of internationalisation.

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For 14 years MIDOCO has been a reliable partner with whom we run our operations efficiently and stably.

In particular, the automation possibilities and the range of web services are outstanding and have been an elementary part of LMX's operational success.

*Nicole Ludwig, COO LMX Touristik*

