

Spotlight On Grain

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The TravelTech Lab by HBX Group is the innovation lab of HBX Group, powered by Wayra, which seeks to constantly re-imagine the world of travel by finding new ways to help our customers succeed, and our business partners achieve their goals.

As part of our ongoing mission to co-innovate with startup partners in order to deliver impactful, customer-focused experiences, products and platforms which reshape the travel industry, earlier this year TravelTech Lab by Hotelbeds hosted a Pitch Day Challenge, where startups from around the world were invited to showcase the myriad, forward-looking ways their products and services are providing solutions to real-life challenges currently being faced within the industry.

In this 'Spotlight On' blog series, we'll be shining the light of attention on each of the start-ups that were shortlisted during this Pitch Day Challenge, to bring their work to the forefront of the travel industry's focus.

The second in this series, this 'Spotlight On' will focus on the development of Grain from its beginning to fully formed start-up, which captured our attention thanks to its embedded cross-currency solution that protects travel platforms and their customers from FX volatility.

We spoke to founders Dor Golan, Michal Beinisch, Aharon Navon and Nir Galon, all entrepreneurs with previous experience at Barclays, Deutsche Bank and other prominent fintech start-ups, to get some insight into their journey, their mission, and how they're working to bring smarter fintech solutions to the industry.

Can you describe the genesis of the start-up, including the idea that sparked its creation?

The genesis of the startup Grain can be traced back to the challenges posed by the volatile nature of foreign exchange (FX) rates, especially during times of geopolitical conflicts, political instability, and economic downturns. This volatility significantly impacts global transactions, creating a substantial risk of value changes between the initiation of a deal and the completion of its payment.

Recognising the growing need for effective hedging solutions to minimise this financial risk, Grain was conceptualised. The startup's mission is to empower B2B software platforms and marketplaces by providing them with the tools to offer cross-currency hedging at attractive prices. A key feature of Grain's innovation lies in its fully automated risk assessment process, which delivers optimised custom pricing. This approach ensures that businesses can safeguard their transactions against the unpredictability of FX rates, thereby securing their financial stability.

Can you articulate for us Grain's mission and long-term vision, outlining the problems that it seeks to solve?

Our mission at Grain is to empower businesses with technology and financial solutions that were previously inaccessible to them. We provide newfound financial certainty, ensuring that enterprises can navigate cross-border challenges with confidence. Through the solution of automated hedging tools, we eliminate currency risk efficiently and effectively, catering to businesses of all sizes.

As we look ahead, we're committed to pioneering tailored solutions for diverse industries, catering to the unique needs of sectors such as travel, supply chains, e-commerce, and accounting platforms. It was important to us that at Grain, our customers' journey to financial empowerment is underpinned by innovation and precision.

How does Grain align with the larger industry landscape and what is its potential for growth?

Grain provides comprehensive FX solutions to enhance travel platforms. We understand that within the travel sector, grappling with slim profit margins and elevated cancellation rates is commonplace. In response, Grain presents a pragmatic resolution through its embedded cross-currency framework.

One prominent industry practice involves hedging net amounts after accounting for cancellations. However, this strategy often falls short in providing comprehensive financial protection for travel platforms. Herein lies the differentiating factor of Grain – offering holistic hedging across all transactions, cancellations included.

Our approach not only fortifies travel platforms against FX risks but extends this safeguard to encompass their clients as well. This dual protective shield allows for the secure locking of currency rates, bolstering business stability for both parties.

Moreover, by leveraging Grain's FX proficiency, travel platforms can forego the need for supplementary price markups, fostering a heightened competitive edge.

Central to our offering is the Grain FX solution, enhanced by Machine Learning capabilities. This automated technology enables businesses to minimise the operational burden of tailoring, executing and managing hedging strategies. Grain's solution fully offloads the entire FX hedging risk away from our customers. Grain provides full visibility of execution prices, via a user friendly dashboard, a transparent and comprehensive view of transaction currency exposure.

By revolutionising established norms for travel platforms, Grain envisions a landscape where attainable profitability coexists with mitigated currency fluctuations. Moreover, by addressing the intricacies of cancellations, we ensure that the financial resilience of both travel platforms and clients remains intact.

What is your unique value proposition, and how does it set you apart from the competition?

We differentiate ourselves from our competitors through various key factors which are central to our offering:

Hedging 100% of transactions - Conventional practices of hedging net amounts post-cancellations offer limited financial protection for travel platforms. In contrast, Grain provides complete hedging for all transactions, including cancellations, ensuring enhanced risk coverage.

Reduced Hedging Costs - Grain's automated platform empowers cost-efficient hedging compared to existing solutions, resulting in lower overall hedging expenses.

Localised Currency Charging - By locking in exchange rates at booking time, Grain enables travel platforms to bill end-consumers in their local currency, facilitating ease of transactions.

Pricing Optimisation - Leveraging extensive data analysis, Grain's API tailors hedge pricing based on individual customer profiles. This approach, informed by factors like historical currency trends and past cancellations, optimises pricing accuracy.

Zero setup costs, no hidden fees - Grain boasts a zero-cost setup and maintains a fee-free subscription model, ensuring transparency and cost-effectiveness from the outset.

Charge in local currencies. Get paid in functional currencies - Empowering software platforms and marketplaces, Grain allows them to charge customers in their preferred currency while receiving payments in their functional currency.

Risk-Free Assurance - Grain assumes the role of the principal risk taker, providing transactional rate guarantees for complete risk mitigation.

Tell us about the innovative solutions that Grain offers!

Grain's Embedded Cross Currency Solution introduces a robust approach to FX risk management tailored for travel platforms. This solution is designed to address the challenges of FX volatility by providing a mechanism for travel platforms and their clients to lock in currency rates.

Powered by advanced Machine Learning technology, our solution offers an adaptive approach that considers historical trends and market dynamics. This ensures that travel platforms can implement effective hedging strategies that align with evolving financial landscapes.

Moreover, the solution incorporates a valuable side functionality known as Exposure Analysis. This tool offers a dashboard presenting transaction volatility, providing travel platforms with insights to make informed decisions about risk management.

The Embedded Cross Currency Solution is a pragmatic response to the complexities of currency fluctuations. By merging automated processes with intelligent analysis, it equips travel platforms with the means to confidently navigate FX volatility, offering stability and control in an unpredictable environment.

Who is your target audience, and what are the specific needs or pain points that your offerings address?

We have several target audiences, all with unique pain points which Grain seeks to resolve with its comprehensive technology and financial solutions.

1. CFOs of Travel Platforms

Pain Points: CFOs of travel platforms wrestle with the persistent spectre of financial uncertainty propelled by FX volatility, a challenge compounded by the industry's slender profit margins. The imperative to secure revenue streams amid currency fluctuations remains a top priority.

How Our Solution Helps:

Enter our Embedded Cross Currency Solution, equipped with an automated hedging mechanism that empowers CFOs to lock in currency rates. This infusion of stability not only counters risk but amplifies financial assurance in the face of dynamic FX markets. Moreover, our Exposure Analysis tool further fortifies their position by delivering unparalleled transparency into FX volatility across all transactions.

2. Heads of Product

Pain Points: Heads of Product grapple with the intricate choreography of optimising user experiences within multifaceted cross-currency transactions. The uphill task lies in orchestrating seamless booking and payment journeys harmonised with diverse currencies.

How Our Solution Helps:

Our offering, while indirectly assisting Heads of Product, empowers travel platforms to bill end-consumers in local currency through secure, locked-in exchange rates. This augmentation in user-friendliness and clarity significantly enhances the booking process, ensuring positive experiences.

Tell us about Grain's accomplishments and milestones. What are your current significant achievements to date?

At Grain, our dedication to fintech innovation has earned us a position of distinction. We proudly stand as pioneers in the travel industry, and our journey has been marked by a remarkable achievement.

Out of a competitive pool of over 60 companies, we were selected as the sole fintech startup in the groundbreaking TravelTech Lab by Hotelbeds challenge. This recognition not only validates our unwavering commitment but also emphasises our role as leaders in reshaping the travel industry through cutting-edge fintech solutions.

We have forged strong partnerships with renowned global bed banks, empowering them with our embedded FX solution to safeguard both their operations and their clients from FX risk.

Give us some insight into your company culture and brand values. How do you foster innovation, as a company?

Our brand values:

You Come First - We care about our customers. We are focused on providing value and helping our customers succeed.

You're in Good Hands - We are experts in our field, we are passionate about what we do, and we are committed to protecting your interests.

We Dare to Do the Right Thing - We challenge the status quo in the pursuit of excellence to always provide the best solutions.

We Get Things Done - We are efficient and effective on our mission to simplify an overly

complex world.

A closer look at Grain's unique solutions:

Discover more about Grain's cross-currency solutions in this [quick video](https://www.youtube.com/watch?v=L-CiQ2DTxqc).

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TRAVELTECH LAB BY HBX Group

We explore the intersection of emerging technology and travel, to build innovative products and consumer experiences all whilst engineering solutions that advance Hotelbeds' innovation agenda, and better the lives of our customers.

We're firm believers that in a collaborative environment, it's all about exploring new horizons to future-proof our business and drive digital transformation.

Learn more about our work [here](#).

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