

Case study

Arriving as the leading online source for UK late availability hotel rooms

Laterooms

Online late availability hotel rooms for corporate and leisure customers



Funded by



ECI completed the buyout of online hotel bookings company Laterooms.com from the founders in December 2004.

Strategy

- ECI backed the incumbent CEO, Chris Allen and Development Director, Tony Walsh and led the hiring of the Chairman, John Donaldson and the FD, Chris Morris.
- Laterooms became the leading UK online intermediary of late availability hotel rooms to corporate and leisure customers. This was achieved through enhancements to the technical, informational and managerial infrastructure in the business, specifically:
 - Significant investment in the core systems to enhance the 'customer insight' in the business. This enabled the business to become increasingly sophisticated in its approach to customer acquisition and development.
 - The creation of cost effective new routes to market
 - Extensive rebranding
 - Laterooms also invested heavily in managerial and technical staff to professionalise the business whilst retaining the 'early-growth' culture

Performance

ECI sold Laterooms to First Choice for £120m in December 2006, generating a 500% IRR and a money multiple of 9x for ECI. Sales, profits and employee numbers more than doubled over the course of ECI's investment. Given the faster than normal pace of development in internet businesses this was a shorter than average holding period for private equity.

Investor:	ECI
Location:	North West England
Sector:	Travel and Leisure
Stage:	Buyout - 2004
Exit:	Sold to First Choice in 2006
Company Website:	www.laterooms.com
Investor Website:	www.ecipartners.com

“We have greatly enjoyed working with ECI, whose vision has supported us from day one.”

Chris Allen, Laterooms