The Value of a Structured Travel Program

Travel Incorporated Whitepaper

Many companies refer to their travel policies and employee travel process as either 'managed' or 'unmanaged' travel programs. The 'managed' program has been referenced as a process serviced and supported by a Travel Management Company with specific directives as to how the travelers should book their travel. In comparison, an 'unmanaged' program typically provides guidelines, but most often simply allows their travelers to book how, where and when they chose.

Both types of programs are somewhat managed as either an individual, or department is responsible for the spend. What is fundamentally different and what this whitepaper focuses on, is the importance of reassessing your needs and identifying the value of incorporating a *'Structured Travel Program'* that aligns with your corporate culture, fiscal responsibilities and moral obligations to your business traveling employees. It is the structure that merges the discipline of the program and identifies the processes for a clear, directed traveler buying behavior.

This decision to structure your program leads to a focus on the needs and safety of your travelers, the cost avoidance and savings that can be achieved, and a consistent means to obtain actionable data to ensure your program is running optimally. Pulling all of these aspects together by utilizing a specialized, business travel management company (TMC), delivers technology, tools, services and support for your travel program stakeholders, executive administrators and the travelers themselves, and operates as an extension of your organization.

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Understanding the Impact of Decision Making

Employees traveling on behalf of your company are the final decision makers when it comes to purchasing travel. Their decisions and buying behaviors have a considerable impact on your discretionary spend. Identifying areas of savings should happen at the time of air search and purchase, rather than the time of expense reimbursement.

A Structured Travel Program will set directives to either encourage or enforce the traveler to abide by your travel policy and approved booking channels including your company specific online booking platform, and a designated Travel Management Company that services and supports their individual needs. This directive, which will be discussed more thoroughly in the policy and processes section, is not designed to inhibit their purchasing options, but to take into consideration your responsibility for their safety, wellness, efficiency and compliance to company protocols.

TRAVELER BUYING BEHAVIORS

Impacts of Allowing Your Travelers to Book Directly with a Supplier

Some companies will argue that they trust their employees to make good business decisions on behalf of their company. However, approaching a travel program in this manner can bring significant risks to your program, including:

- There is no insight into comparative rates that could have avoided cost.
- Ticket changes due to cancellations or unused tickets are at the sole discretion of the traveler, and cannot be managed internally.
- Your company does not have the ability to know where the traveler is in the event of an emergency.
- If a traveler leaves the company, there is no way to transfer the ticket or refund to the company.

Value

Today's travelers want self-service: A company-approved online booking tool includes all options for purchasing their travel in one location, including options that clearly designate company preferred, company approved, and options that allow for booking outside of policy for specific circumstances.

Technology and communication: A structured travel program provides your travelers with an itinerary management mobile application that consolidates all of their booking details in one place, pushes traveler notifications tailored to their itineraries for any travel disruption that may occur, and can automatically send their ticket invoice to their expense receipts folder for efficient reimbursement.

Consistency of payment: Centralized and/or individual company provided credit cards, ensures the company maintains control of your expenses and can reassign tickets to different travelers in the event of a termination or voluntary resignation.

One stop shop for all servicing and supporting needs: Providing a single point of contact provided by the TMC that provides email, phone and/or chat when modifying an existing reservation, supporting a booking for a complicated international itinerary, or being serviced during a travel disruption.

2 | POLICY: COST AVOIDANCE AND SAVINGS

A company's travel policy should be in direct correlation with your company culture and fiscal responsibilities. It should take into consideration the health and well being of your travelers while ensuring there is the capability of monitoring travel spend at a time when certain purchases can be reviewed and altered instead of identifying extreme investment at the time of expense reimbursement. In short, your policy should outline the way you expect your travelers to book travel and get the help when they need it.

The Importance of Culture:

What makes an effective travel policy is different for each company. It needs to be based upon your corporate culture, approach to employee input and feedback, while obliging to risk management, safety and security of your travelers. With the recent increases in employee voluntary resignations along with the high cost of recruiting and onboarding, your travel policy can have a direct impact on their job satisfaction and tenure with the company.

Cost and Fiscal Responsibility:

Travel and entertainment expenses account for between 8-10% of total operating expenses* and are the 2nd largest controllable expense next to payroll and benefits. By allowing your travelers to book when, how and when they choose dramatically impacts your financial exposure and limits the opportunity to effectively leverage preferred provider discounts.

*Aberdeen Research

> **"59% of business travelers indicate their travel policy is an important factor when considering a change."**

POLICY: COST AVOIDANCE AND SAVINGS

Approvals and Pre-trip Authorizations:

Your travel policy can incorporate a variety of cost avoidance opportunities through either a notification or an approval authorization.

Notification: The benefit of notifications allows for the traveler to book the ticket they choose while notifying their supervisor if their choice was out of policy, including a reason for their decision. This provides the supervisor with the information of what lower priced options were available, and the ability to question the choice while there is a free 24 hour void period.

Approval Authorization: If your policy dictates that anything out of policy requires an approval to proceed with ticketing, this can be set up as an automated notification to the supervisor allowing for 24 hours to approve or decline the ticket. Approvals are usually utilized when a higher level of cost control is required.

Value

Leveraging supplier discounts: Your travel management company has the ability to provide benchmarking data for air, rental car and hotel, including per diems by city. Most suppliers prefer to use 'booking data' for discount discussions which can only be provided if your travelers are booking through the travel management company who supports the online booking tool. In addition to suppliers recognizing TMC booked spend as reliable, it also demonstrates the commitment of your organization to manage the spend, making the supplier more likely to provide deeper discounts.

Tailoring your online booking tool: A Structured Travel program needs to approach the optimization of your online booking tool, tailoring to your corporate culture and maximizing your cost avoidance opportunities. This encourages utilization and compliance.

Understanding out-of-policy reasons: Whether booking either online or through a travel consultant, having data on the reasons will help identify trends and isolate where there are opportunities for further cost savings across your program.

Unused ticket management: At any given time, an airline can and often does, change their internal policies relating to unused ticket expirations and restrictions. By having all bookings go through your preferred channels (online booking and TMC), the TMC will be able to advise on open tickets available for reclaim, expirations dates for the reissuing of the tickets, as well as identify if the original ticket is for a current profiled traveler, or will require a name change. All of the aspects relating to assuring the highest degree of cost recovery cannot be achieved unless a Structured Program is in place.

3 | SAFETY AND DUTY OF CARE

Duty of Care is a company's obligation to avoid negligence, particularly to take reasonable care not to cause physical, economic, or emotional loss or harm to others. In a business travel environment, this can pertain to *risk mitigation* for travelers planning a trip to a region of concern either by way of political unrest or health related outbreaks. It also pertains to having the ability to *monitor* where your travelers are based upon their booking information so that you can get into contact with them in the event of an emergency, or to have *disruption alert notifications* sent to their mobile devices.

Booking outside of preferred channels reduces your ability to track your traveler's destination or connecting city, as well as identify if they are potentially impacted due to an act of terrorism or significant weather related disruption. Many companies do not pay much attention to duty of care monitoring until they have an emergency and are not able to locate their travelers, or view this as only an issue with international travel. It is considered a company's moral obligation to support their employees while traveling on behalf of their company. The program manager should carefully evaluate the tools available to them to support a duty of care program, vs. the potential risk of not having a duty of care process in place.

Value

Traveler Alert Notifications: Your travelers will receive the convenience of advance notification of potential travel disruptions based upon their personal itinerary. They will receive Alert Notifications via email of pending disruptions 3 days prior to departure, as well as throughout their journey of any potential delays or cancellations that may impact their travel plans. Program stakeholders also receive a consolidated listing of any travelers impacted by a specific event, as well as a separate VIP listing to ensure you have the information you need, when you need it.
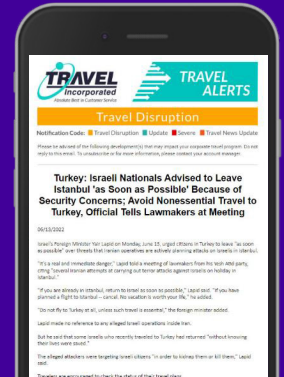
Locating your travelers: Having insight into your employees whereabouts in real time while traveling on behalf of your company can only be obtained if they made their travel bookings through your preferred channels. If an emergency arises, such as a plane crash, a hotel fire or catastrophic weather event, Travel Incorporated can immediately notify you of any impacted travelers, with tools that allow for immediate two way communication to validate their safety, as well as immediate access to emergency contacts.

Pending Travel Disruptions: In the event of a pending hurricane or other weather related emergency, you will have the ability to immediately apply search filters for your required dates and location, providing you with the information you need to discuss and consider the need to modify their itinerary.

Pre-trip Risk Mitigation: TI also provides technology that allows your Risk Management department to set risk severity levels to specific locations, suggesting that travel should not be taken in these regions. The tools allow you to manage this directly, and then receive notifications if any employee books travel to a region you have deemed high risk, allowing your Risk Manager to discuss the reasons for the trip and weigh that against any potential challenges they deem a high level concern.

Third-party Medical Emergency and Extraction Services: Some companies contract with third-party providers to perform more regionalized safety services including support for medical emergencies as well as extraction services should the need arise. TI is happy to provide you with a list of our preferred partners that are available for you to contract directly.

4 | ACTIONABLE DATA ANALYTICS

Companies that have primarily utilized 'guidelines' for their policy are dependent on their expense reports, rather than having the ability to track trends in real time. In a structured program, you can decide what information you want to have proactively sent to you or your colleagues based upon your schedule and preferences. This can include a review of bookings made within the past 24 hours, allowing the stakeholders to peruse and determine if any discussions for the purpose of the trip need to be taken while in the 24 hour void window. Other reports such as unused ticket expiration reports, unprofiled unused ticket reporting or market share reports are all available in real time for those programs wishing to monitor more closely.
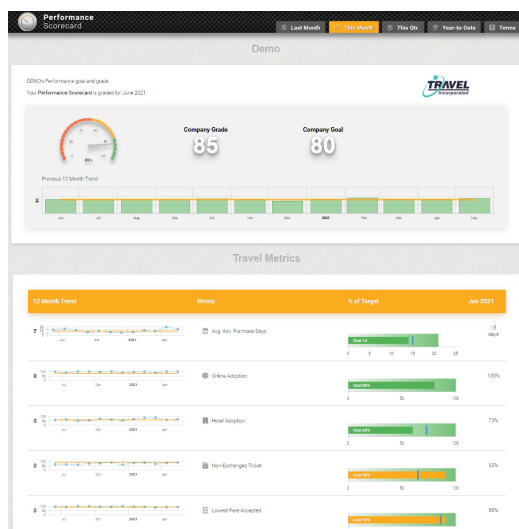
Power of Trending Purchasing Patterns: Your travel spend can be a powerful negotiating tool. However, without the ability to monitor trends such as choosing disparate hotels within a given area, rather than consolidating the room nights to one or two properties can have a dramatic impact on your bottom line. Similarly with air and ground spend, without the data to identify most common routes, carriers and classes of service; or splitting up the car rental across multiple suppliers, you are likely leaving a minimum of 2-5% of your total air travel spend on the table, rather than saving that through negotiated discounts.

ACTIONABLE DATA ANALYTICS

Lowest Rate and Advanced Purchase: Similarly, by not having real time booking data available to you, you will be unaware of the potential lower rates that were available for booking by your travelers. Cost avoidance is the number one concern for most procurement and finance departments which can only be identified if booking through your preferred channels.

Actionable data provides real time insight into your travelers' booking patterns, identifies missed savings opportunities, as well as where you can identify the largest areas for cost avoidance within your program. By using data analytics, you have the added value to:

Value

Manage Market Share: Negotiated discounts are largely driven by market share and volume. Actionable analytics provides you with breakdowns of your spend by carrier, which can then be benchmarked and leveraged for a unique percentage-off discounts.

Hotel Preferred Properties: Understanding where your travelers are staying along with the number of room nights can be charted to identify if a consolidation of properties is an option for your preferred discounts and last room availability. A Structured Program will provide you with the data and easily identify areas of opportunity for a targeted hotel Request for Proposal project.

Missed Savings: Having the ability to identify which lower fares were available at the time of search, along with lost cost avoidance opportunities by not purchasing the ticket farther in advance, is only available through a Structured Travel Program. This also is the case for not understanding the balance along with expiration dates of unused tickets, and travelers that may be purchasing higher classes of service than you were aware of.

Proactive Scheduled Reporting: You, and your designated colleagues, have the ability to identify which data elements you would like to have sent to you based upon your scheduling preference.

With **Travel Incorporated** as your travel management company and partner, we will work with you to understand your company's culture and cost avoidance and savings objectives. It is our people that drive the year over year success with our clients by connecting and being an extension of your organization.

In-house Travel Technology Solutions

Travel Incorporated has our own in-house Travel Technology Solutions team of software engineers who design tools and services to support both your travelers and your travel program stakeholders. These services include:

Mobile applications for your travelers and travel arrangers with real time updates to their personal travel plans and itinerary management.
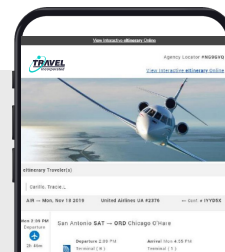
Duty of Care tools that provide travelers with updates on potential disruptions to their upcoming travel plans, as well as provide your travel program stakeholders and risk management with travel details to identify where your travelers are any time of day, provide immediate two-way communication, as well as have the ability to identify if someone is traveling to an area of risk pre-trip, as well as filtering for specific catastrophic events.

Comprehensive Data Reporting, Graphical and Predictive Analytics: TI has built a comprehensive data reporting toolset that captures missed savings opportunities at the time of search, identifies traveler buying trends that are leading to further lost cost avoidance, along with the ability to identify future cost control measures and your sustainability carbon footprint. We provide benchmarking down to the individual property to ensure negotiated rates are on par or lower than our client and industry average, as well as manage market share to ensure you are receiving the best discounts available for your travel program.

Redirecting Traveler Buying Behavior: To ensure a higher policy compliance and cost avoidance program, TI provides a TravelGPA scoring for each traveler itinerary, advising the level of compliance for that particular trip, as well as a Performance Scorecard which outlines 5 key areas of cost savings that can be obtained by redirecting traveler buying behavior. Capturing this information at the time of search, and monitoring traveler buying trends has the single highest impact on managing and optimizing your travel spend.

Specialists in Online Booking Tools

Travel Incorporated understands the importance of having the right online tool that delivers an easy traveler user experience, as well as aligns with your commercial objectives. It is not only the tools that are offered, but the dedicated service to support your travelers with technical challenges while booking, as well as ensuring your tool of choice is set up specifically and uniquely for your company. Travel Incorporated is happy to offer and support both the Concur Travel online booking tool, as well as the Etta online booking platform.

Concur Travel: TI has been a Concur Travel Elite partner for over 17 years and has serviced Concur's own employee travelers. There is simply no better travel management partner that can optimize the Concur Travel booking tool specifically for your traveler's ease of use, while incorporating your policy, their individual preferences and loyalty point integration, and your specific approach to travel approvals. Many of our customers utilize the Concur tool due to its simple integration with Concur Expense.

Etta: Etta is a relatively new online booking platform that is powered by Deem (an Enterprise Holdings company). This tool provides information on sustainability impacts at the time of search, TripAdvisor and Safety ratings for neighborhoods, and a comprehensive mobile application that allows your travelers to manage all of their travel planning and modifying while on the road.

Online Travel Services

TI provides a dedicated team, at no cost to you, of online booking specialists who will optimize your site, and mentor your travelers with any technical questions specific to their online booking needs.

Connecting with You.

We fundamentally believe that by understanding your business, culture, needs and expectations, we can assist in designing a Structured Travel program that is not only unique to you, but provides the safety, security and data intelligence that you require, and the Account Management extension of your travel program that you deserve.

The Value of a Structure Travel Program is about a combination of intention and effectiveness, providing the technology and personalized attentiveness to identify opportunities and deliver results. It is a winning combination of savings, service, consultation and execution.

(770) 291-4100   **Contact Us Today to Learn More**   **travelinc.com**