



BP (Buyers Only)

Selling the Value of Travel Management to Your Leadership

Andrew W. Menkes, CTC
Partnership Travel Consulting, LLC

Sponsored by



AGENDA

LACTTE
ABGEV & NBTA



Executive Presentations

- Do's
- Don'ts



Identifying Program Values

- Value Definitions
- Sustaining Value



Program Measurement and ROI

- Financial Metrics
- Soft Metrics



OPEN DIALOGUE

How A Bad Economy Affects Business Travel

Reduced Capacity

Fewer Flights
Fewer Non-
Stops
Fewer Hubs

MERGERS

Less
Discounted
Inventory
Higher Fares
More
Restrictions

COST

Crowded
Aircraft
Decreased
Service
Increased
Delays

SERVICE

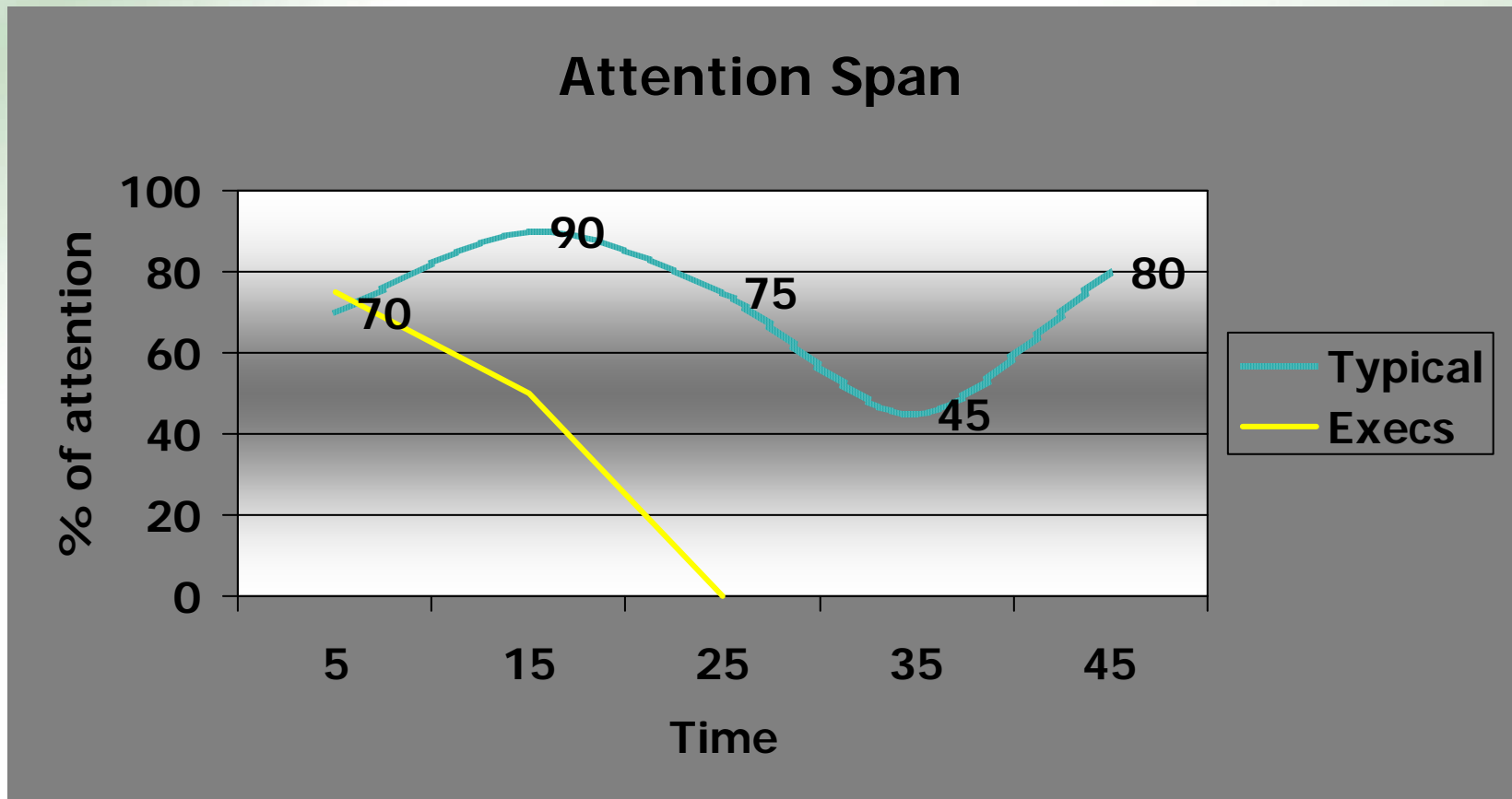


Presenting to the C-Level

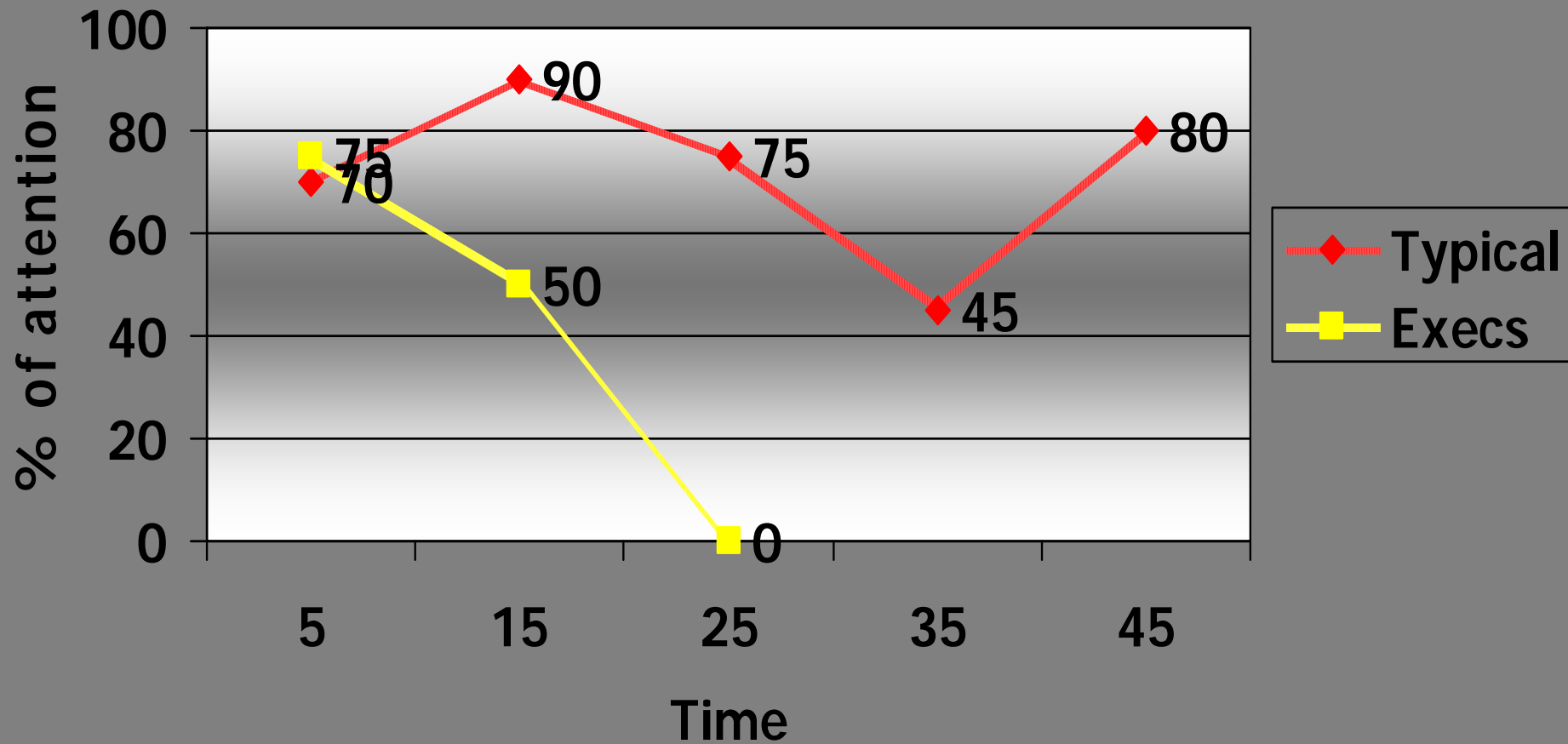




How Much Time Do You Have?

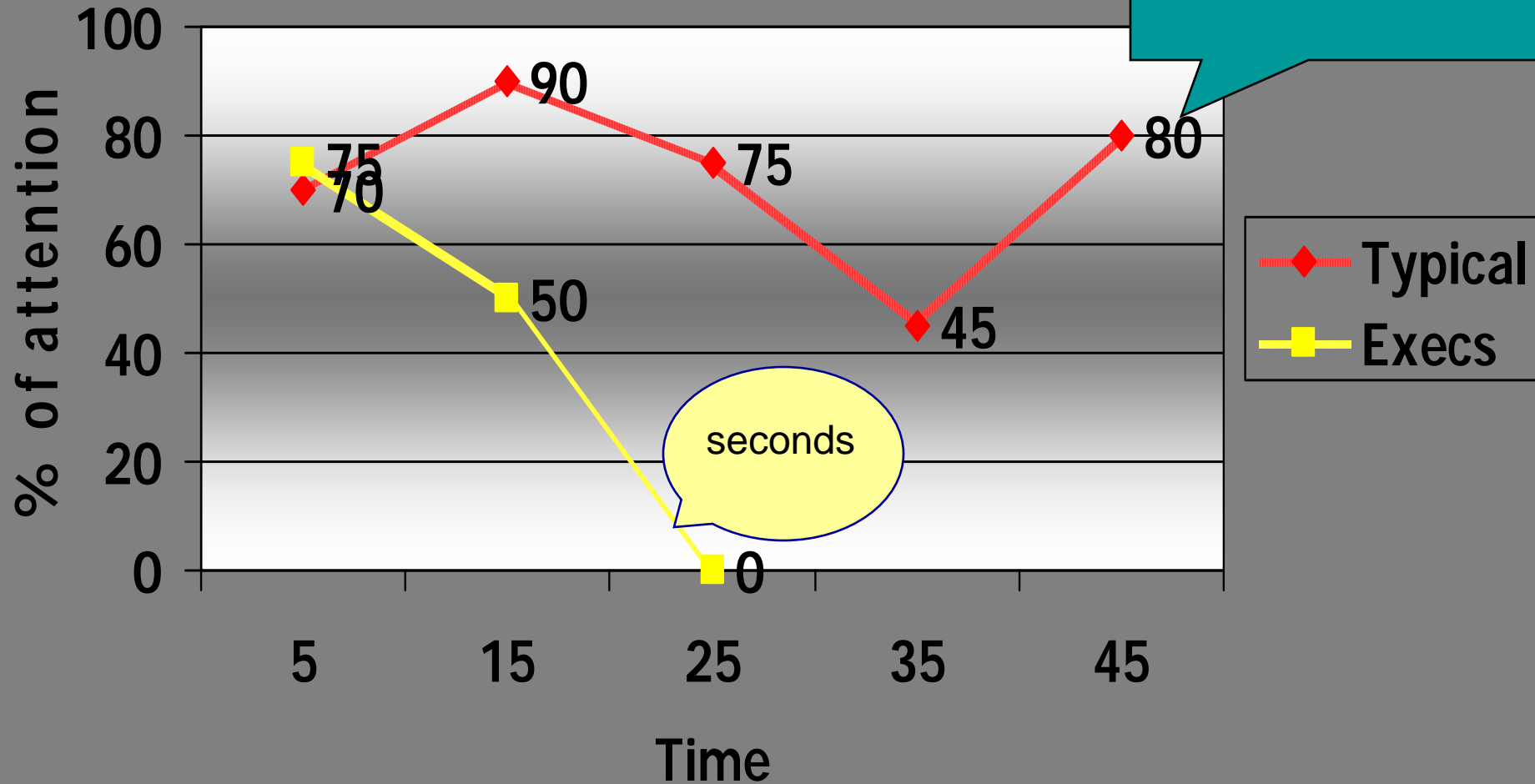


Attention Span



Attention Span

This increase is only because they know you are almost done



Reading Your Audience



- Eye Contact
- Body Language
- Noise

Value



Value= Worth in usefulness or
importance to the Possessor.

What is Value?

- You can't "create" it; value must be a pre-existing condition
- It has to be measurable
- It must be objective
- It can't be subjective, nor can it be your dictionary





Personal Exposure

- End-user travel seminars
- Strategic Operating Committee
- Audit Committee- Annual Shareholders Meeting
- Executive Committee



How to Communicate

- Email
- Website
- Presentations
- Cheerleaders
- Coincidence
- Create your own Email groups
- Travel Intranet site
- Internal presentations
- Senior level administrative cheerleaders

Do's and Don't of Presentations

- Brevity
- Avoid clutter

Minimal Colors

Limited Clip Art





3 Common Acronyms/Metrics

- ATP (Do not blend)
- CPM (A function of ATP)
- ROI (A great buzzword)



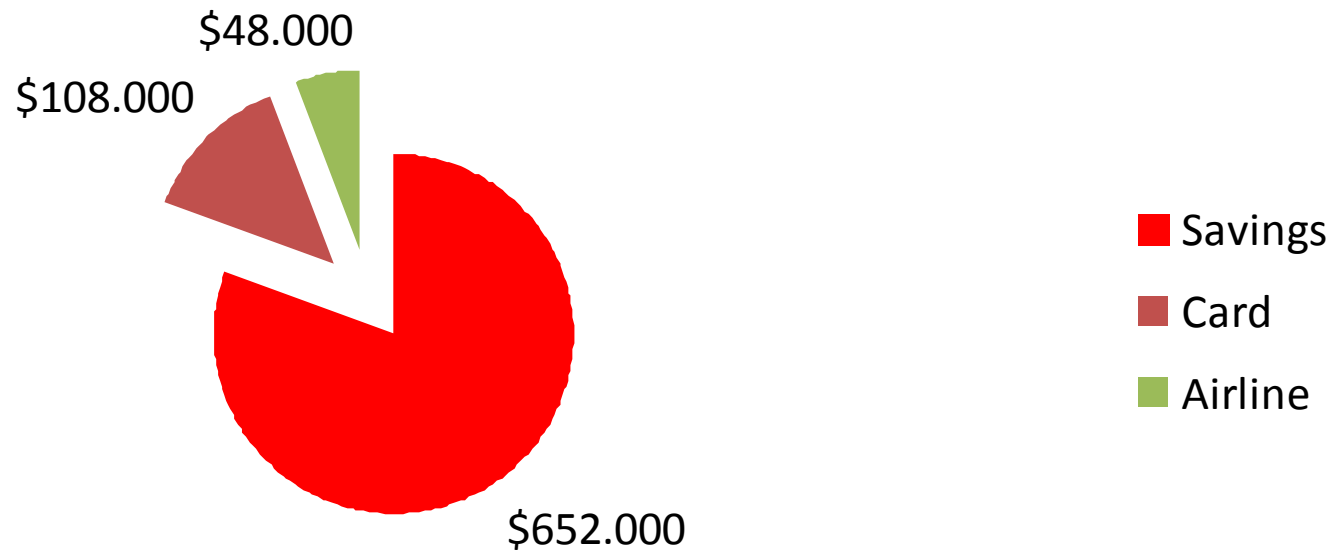
Examples of a Great Message Delivered Poorly

All numbers are simulated.

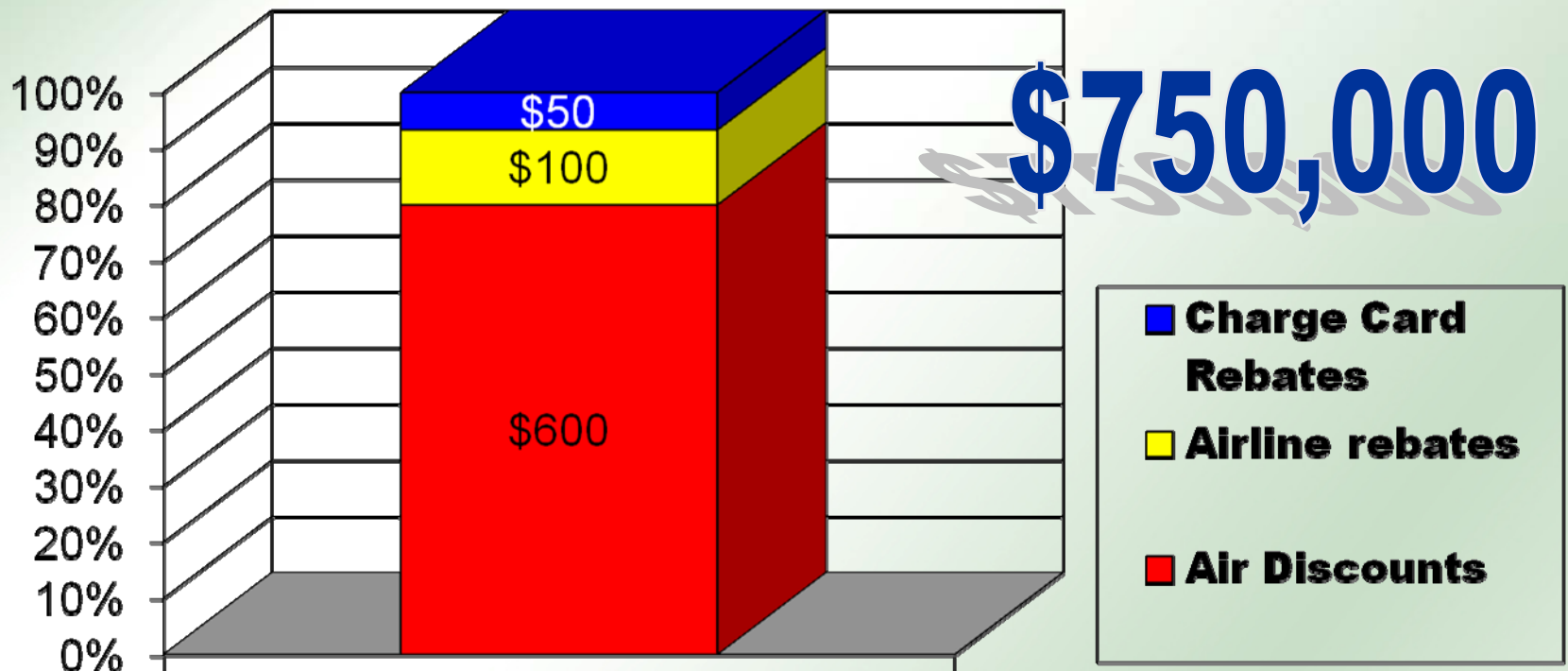
See if you can identify the flaws...



Total Value of Travel Program



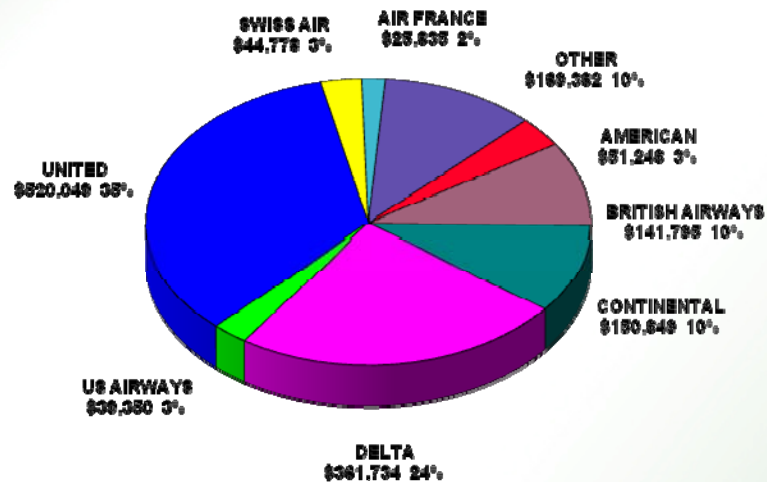
Total Value of Global Travel Program (\$000)



AIRLINE/CLASS DISTRIBUTION

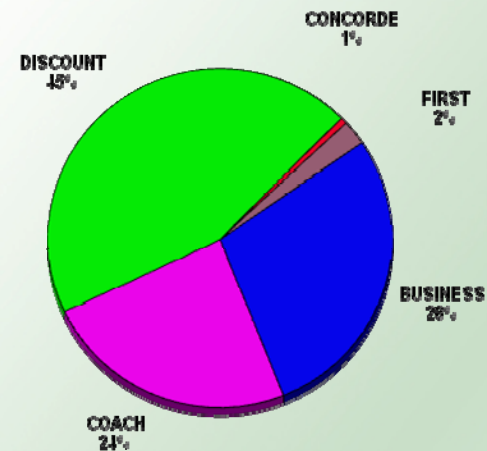
CARRIER ANALYSIS

TOTAL NET AIR VOLUME: \$1,505,020



CLASS OF SERVICE ANALYSIS

TOTAL NET TRANSACTIONS: 1,440



Hotel Expenditures

Who understands
these codes??

<u>city</u>	<u>#trx</u>	<u>tvl USD\$</u>		
NYC	880	\$708,764		
EZE	223	\$337,160		
LON	488	\$428,663		
MEX	308	\$417,649		
HKG	283	\$216,912		
WAS	212	\$208,852		
SIN	445	\$166,007		
GVA	332	\$149,367		
MOW	72	\$106,083		
SAO	90	\$103,278		
TYO	138	\$80,784		
TPE	191	\$76,528		
MIL	72	\$57,848		
LAX	372	\$54,840		
LAS	157	\$47,511		
YUL	84	\$42,814		
LUX	87	\$42,810		
SCL	29	\$38,779		



Hotel Expenditures (top 20 cities)

city	# Transactions	ttl USD\$	% Share
NEW YORK	880	\$708,764	15.6%
BUENOS AIRES	223	\$337,160	7.4%
LONDON	488	\$428,663	9.4%
MEXICO CITY	308	\$417,649	9.2%
HONG KONG	283	\$216,912	4.8%
WASHINGTON	212	\$208,852	4.6%
SINGAPORE	445	\$166,007	3.6%
GENEVE	332	\$149,367	3.3%
MOSCOW	72	\$106,083	2.3%
SAO PAULO	90	\$103,278	2.3%
TOKYO	138	\$80,784	1.8%
TAIPEI	191	\$76,528	1.7%
MILANO	72	\$57,848	1.3%
LOS ANGELES	372	\$54,840	1.2%
LAS VEGAS	157	\$47,511	1.0%
MONTREAL	84	\$42,814	0.9%
LUXEMBOURG	87	\$42,810	0.9%
SANTIAGO	29	\$38,779	0.9%
			72.1%



Airfare Savings Program

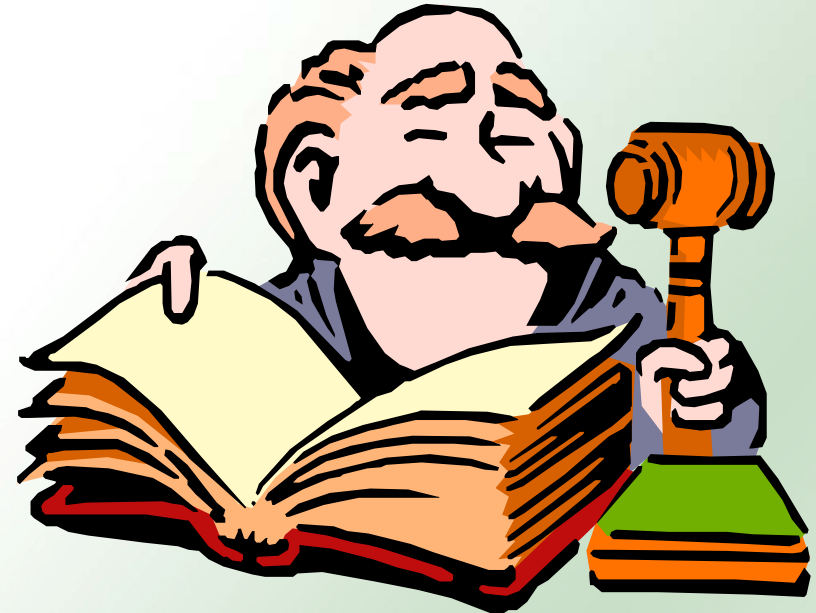
Dest	Round trip fare for general public (includes taxes)	Round-Trip Always Available Fare (AAF)	Round-trip xyz Savings AAF	Round-Trip Lowest Possible Fare (LPF)	Round-trip xyz savings \$\$ (LPF)
ATL	\$ 1,186.00	\$ 1,000.00	\$ 186.00	\$ 800.00	\$ 386.00
BOG	\$ 1,288.00	\$ 900.00	\$ 388.00	\$ 700.00	\$ 588.00
BOS	\$ 412.00	\$ 300.00	\$ 112.00	\$ 250.00	\$ 162.00
EZE	\$ 4,187.00	\$ 3,000.00	\$ 1,187.00	\$ 2,000.00	\$ 2,187.00
CLT	\$ 817.00	\$ 700.00	\$ 117.00	\$ 500.00	\$ 317.00
ORD	\$ 1,053.00	\$ 900.00	\$ 153.00	\$ 800.00	\$ 253.00
DEN	\$ 1,748.00	\$ 1,500.00	\$ 248.00	\$ 1,400.00	\$ 348.00
GVA	\$ 4,975.00	\$ 4,000.00	\$ 975.00	\$ 3,000.00	\$ 1,975.00
HKG	\$ 5,024.00	\$ 4,000.00	\$ 1,024.00	\$ 3,000.00	\$ 2,024.00
LON	\$ 5,406.40	\$ 4,000.00	\$ 1,406.40	\$ 2,000.00	\$ 3,406.40
LAX	\$ 1,900.00	\$ 1,500.00	\$ 400.00	\$ 1,000.00	\$ 900.00
MEX	\$ 1,734.00	\$ 1,500.00	\$ 234.00	\$ 1,000.00	\$ 734.00
MIA	\$ 1,362.00	\$ 1,100.00	\$ 262.00	\$ 500.00	\$ 862.00
MXP	\$ 4,868.00	\$ 4,000.00	\$ 868.00	\$ 2,000.00	\$ 2,868.00
YUL	\$ 679.00	\$ 500.00	\$ 179.00	\$ 400.00	\$ 279.00
SVO	\$ 5,556.00	\$ 4,000.00	\$ 1,556.00	\$ 3,000.00	\$ 2,556.00
NCE	\$ 6,143.00	\$ 5,000.00	\$ 1,143.00	\$ 4,000.00	\$ 2,143.00
PAR	\$ 5,286.00	\$ 4,000.00	\$ 1,286.00	\$ 3,000.00	\$ 2,286.00
SAN	\$ 1,900.00	\$ 1,500.00	\$ 400.00	\$ 1,000.00	\$ 900.00
SFO	\$ 1,929.00	\$ 1,500.00	\$ 429.00	\$ 1,000.00	\$ 929.00
SCL	\$ 3,933.00	\$ 3,000.00	\$ 933.00	\$ 2,000.00	\$ 1,933.00
SAO	\$ 4,096.00	\$ 3,500.00	\$ 596.00	\$ 2,000.00	\$ 2,096.00
SIN	\$ 5,615.00	\$ 4,000.00	\$ 1,615.00	\$ 3,000.00	\$ 2,615.00
TLV	\$ 4,872.00	\$ 4,000.00	\$ 872.00	\$ 3,000.00	\$ 1,872.00
DCA	\$ 418.00	\$ 350.00	\$ 68.00	\$ 300.00	\$ 118.00

Airfare Savings Program

<i>Destination</i>	<i>Round trip fare for general public (includes taxes)</i>	<i>Minimum % Savings</i>	<i>Maximum Possible Savings</i>
ATLANTA	\$1,186	15.68%	32.55%
BOGOTA	\$1,288	30.12%	45.65%
BOSTON	\$412	27.18%	39.32%
BUENOS AIRES	\$4,187	28.35%	52.23%
CHARLOTTE	\$817	14.32%	38.80%
CHICAGO	\$1,053	14.53%	24.03%
DENVER	\$1,748	14.19%	19.91%
GENEVA	\$4,975	19.60%	39.70%
HONG KONG	\$5,024	20.38%	40.29%
LONDON	\$5,406	26.01%	63.01%
LOS ANGELES	\$1,900	21.05%	47.37%
MEXICO CITY	\$1,734	13.49%	42.33%
MIAMI	\$1,362	19.24%	63.29%

What don't we care about

- Frequent Flier Points
- Hotel frequent stay points
- Car rental points
- Free ticket when you buy one





What do “they” care about?



- Upgrades
- Frequent Flier Points
- Hotel frequent stay points
- Car rental points
- Free ticket when you buy one
- Upgrades. Upgrades, Upgrades



The most important chart

	AA	BA	CO	DL	UA
AMELIA	123	1946	6789	9999	1946
CHARLES	456	1924	2300	1111	1924
LEWIS	789	1866	8686	4444	1866
CLARK	654	1867	2345	3333	1867
CHRISTOPHER	345	1492	8483	7777	1492
JUAN	678	1561	9553	2020	1561

Net Savings

LACTTE
ABGEV & NBTA

Gross Savings \$ 2,500,000

Minus Expenses \$ 250,000

Net S

**Equivalent to
125,000 shares of
common stock**

Airline



- Rationalize
- Leverage Alliances
- Market Share Contracts
- Integration of LCC's
- Value-Add Services



Hotel

- Availability of your negotiated rate
- Ability to provide audit trail of commissions
- Lower rate offered at check-in, or seasonal/promotional
- Guest satisfaction
- Value-Add amenities





What would I cover in an elevator?

- Economic environment and cost of oil will reduce the # of flights and limit our ability to negotiate significant airline discounts in 2009
- Hotels will be at a premium in key cities making rate negotiation a challenge; in other cities it's a buyer's market
- Travel agency fees are at their lowest point and there is little room to negotiate lower fees (OBT fees are significantly lower)
- Car rental prices are impacted by fuel costs as well



What would I cover in an elevator?

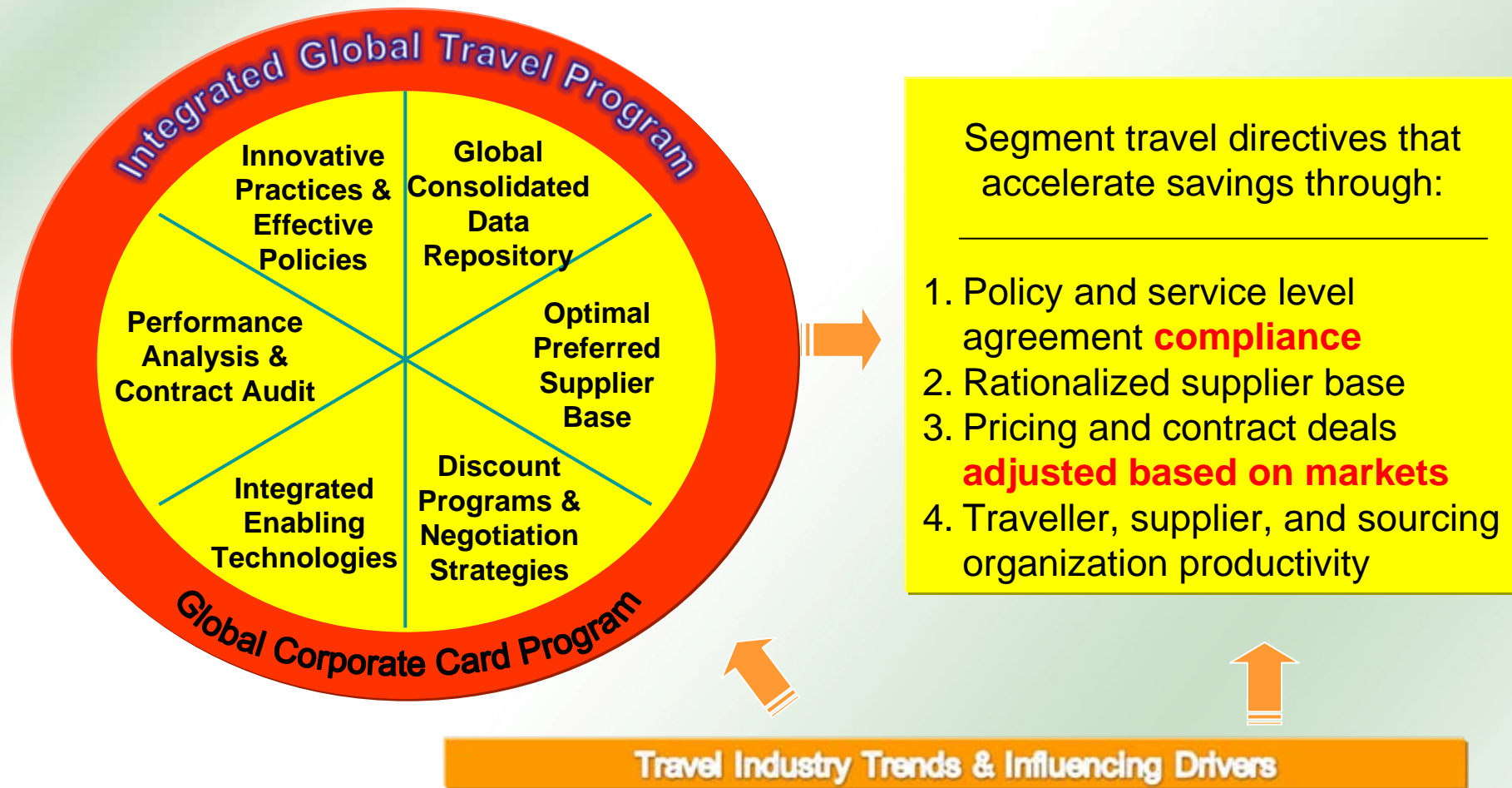
What do are doing

- Our compliance level on preferred airlines is at 70% **(should be 85%)**
- Compliance on using preferred hotels is only at 40% **(should be 70%)**
- Use of online booking tools is at 60% (vs. the telephone). **Should be 90%**

What we need to do

- Enforce use of lowest logical airfare
- Employees must book hotels via Travel Agency or On-Line Tool at the company negotiated properties
- On-line tool must be used for all but the most complex itineraries (and Executive Travel)

Components of an Integrated Global Travel Program Savings Strategy



OPEN DIALOGUE





BP (Buyers Only)

Selling the Value of Travel Management to Your Leadership

Andrew W. Menkes, CTC
Partnership Travel Consulting, LLC

Sponsored by

