

# Build a Fail-Safe Travel Management Plan for Senior Management That Shows You Are a Rock Star

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# What are the politics of Managing Travel?

- Who doesn't want to travel first class? Stay at 5 star hotels and have a limo pick you up at every airport?
- Equal Priority should be given to enhancing service levels at the same time as lowering cost to prevent C-level push-back
- Consider having tiered travel policy
- Most C-level decisions regarding travel will be in response to larger cost savings initiatives directed across the board at the company

# Travel is so messy that Management just wants it to stay off the radar screen

- If no one is having problems with service or mandates then no reason to change things
- There is a risk to change things if no smoke on the horizon
- Few people can understand an industry where it is cheaper to fly to London than to Atlanta some days
- Business travel is completely different than Leisure travel – most execs don't understand why

# So much smoke and mirrors that C-level doesn't believe savings are real

- Remember the days we used to present the airfare savings as the difference between full Y fare and fare purchased?
- Many of the savings standards used today are inflated so they are difficult for people to accept
- Savings must be real and measurable

# **Savings focus defined as soft-dollar and not converted to hard dollar. (monetize)**

- Soft dollar savings does not show up on the company financial statement
- Negotiated savings are done so that no one sees them and even when reported are not believed
- Monetizing savings is how to get the attention of the C-level as it shows up on the financial statements



# **We kill them with reams of reports instead of making it easy to understand and make a decision**

- If it is more than one page the C-level will not read it
- If it does not show up on a financial statement it does not have a priority
- If it can be simplified it can be actionable
- If it can't be measured then it can't be changed
- Scorecards or dashboards can provide understanding for c-level

# A simple plan to get the attention Senior Management (C-level)

- Build a one page summary of goals with financial savings potential.
- Ask for annual and quarterly meetings and have C-level select targeted goals, savings, project costs, and timeline.
- Build a one page dashboard to review monthly on progress.
- Use your TMC to help you build the plan with real numbers.
- Don't be afraid to propose spending money to save money.
- Your C-level works in a ROI (Return on Investment) world.

# Sample One Page Business Plan

## ABC Company 2014 Proposed Business Plan

The ABC Company Travel Department along with our Travel Management Company have reviewed our travel management program for the past year and have identified multiple cost savings ideas and service enhancements that we would like to have senior management consider adopting as part of our 2014 travel management goals. We are presenting these recommendations in an executive summary format for easy review and decision by senior management. Once we have commitment for our 2014 goals we will prepare a quarterly scorecard that allows you to track our progress

**Cost Reduction Opportunities for 2014 are \$2,086,775**

For 2014, Executive Travel is recommending your consideration of the following travel management targets with a total cost reduction potential of \$2,086,775.

Summary Recommendations (with potential annual savings)

# Sample One Page Business Plan (continued)

Summary Recommendations with Potential Annual Savings	Opportunities	Goals
1. Increase Domestic Airline Ticket Advance Purchase	\$21,191	\$10,596
2. Improve Acceptance of Lowest Fare	\$169,490	\$84,745
3. Increase Online Booking Adoption	\$33,246	\$0
4. Shift Hotel Tier to Lower Tier	\$182,210	\$91,105
5. Improve Car Class Compliance	\$841	\$0
6. XXXXXXXXXXXXXXXXXXXX	\$162,421	\$40,605
7. XXXXXXXXXXXXXXXXXXXX	\$671,396	\$671,396
8. XXXXXXXXXXXXXXXXXXXX	NA	NA
9. XXXXXXXXXXXXXXXXXXXX	\$20,640	\$0
10. XXXXXXXXXXXXXXXXXXXX	\$159,233	\$159,233
11. XXXXXXXXXXXXXXXXXXXX	\$326,400	\$326,400
12. Meeting and Incentives Consolidation	\$150,000	\$150,000
13. Duty of Care	NA	NA
14. XXXXXXXXXXXXXXXXXXXX	NA	NA
15. XXXXXXXXXXXXXXXXXXXX	NA	NA
16. XXXXXXXXXXXXXXXXXXXX	NA	NA
17. XXXXXXXXXXXXXXXXXXXX	\$189,707	\$189,707
Total Potential Savings	\$2,086,775	\$1,573,787

# Every Recommendation has Summary

- **Recommendation #4**
  - **Shift Hotel Tier to Lower Tier Savings Opportunity**  
**\$182,210**
- From Jan 2013 to Dec 2013, ABC Company booked 13% of hotels in the Upper Midscale tier or below for an average rate of \$136.91. The average rate for all other bookings (Upscale and above) was \$162.27. If ABC Company were to shift 2,460 Upscale and above bookings to Upper Midscale and below, the savings potential would be \$182,210.00 (based on hotel nights, not bookings).

# Every Recommendation has benchmarks

2012 results	Benchmark	Recommended Target
11.21%	31%	56%

## Recommended 2013 Goal

Target 50% of savings  
opportunities which results in a  
savings of **\$91,105**

# Three Options for each Recommendation

Allow Management easy way to make a decision

- **Option 1** – ABC Company Travel department sends an email to all travelers informing them of new company policy concerning preferred hotel selection and requesting all travelers to make reservations within policy and request that future reservations be made using preferred hotels.
- **Option 2** - Executive Travel Consulting can realign preferred hotels so they are prioritized within the online booking engine. Total annual cost for this system is \$7,500.
- **Option 3 – ABC Company** does not wish to address this item at this time.

# Communication Plan

- Work with your direct supervisor to identify process for senior management who can make a decision
- Develop simple **GREEN**, **YELLOW**, **RED** system to show monthly progress on each area in business plan
- Provide separate announcements for each goal as it is reached

# Value Proposition - Meetings Management

- Improve transparency into volume, spend, and supplier
- Integrate Group Air Travel
- Reduce risk exposure
  - Legal / regulatory
  - Financial
  - Reputational / Ethical
  - Information Technology
  - Operations / Crisis Management / Duty of Care
- Improve quality / return on investment
- Use right resource model

# How Travel can support Meetings

- One preferred travel management company (group and transient)
- Timely and regular travel manifests
  - Through Group Travel Desk
  - Integration between online booking tool and meeting management technology
- Air analysis to identify right meeting locations

# How Travel can support Meetings

- Group travel through online booking tool
- Group air contracts and block group space
- Flag out-of-parameter group travel
- Provide Crisis Management Support / Duty of Care

# Savings Examples

- Transitioning agent-assisted group air to online booking tools for internal, simple meetings; agent-assisted still benefit more complex arrivals / departures
- Leverage transient hotel volume with group hotel volume; opportunity for improved concessions and discounts
- Meeting cards / P-cards are an industry best practice payment method to obtain the most detail on the report (e.g. Level 3 data) and an improved rebate (vs. checks)
- Use commissions to fund technology

# Showing the Value of Group Air and Meetings

- Our meeting spend is approximately \$\_\_\_\_\_ and of that amount, we may be able to save \_\_\_\_\_% by using these methods.
- Group Air is managed by our preferred travel management company \_\_\_\_\_% of the time. If we increase the percentage to 100%, then our savings will be \$\_\_\_\_\_ and we will increase our ability to locate travelers during times of crisis.

# Showing the Value of Group Air and Meetings

- Our meetings are under significant risk exposure in these areas:
  - (Risk #1) and, as a result ...
  - (Risk #2)
  - Etc.
- The average cost per person per day for [type of meeting] is \$\_\_\_\_\_ in Business Unit #1, whereas it is \$\_\_\_\_\_ in Business Unit #2.

# Communications

- T&E and Meeting Policy:
  - “Use the organization’s travel management company [name of company] for all meeting and event attendee travel.”

# Communications

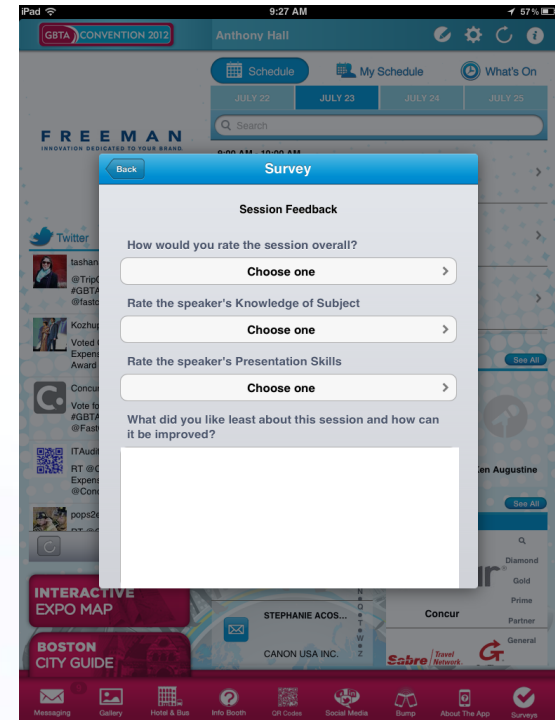
- Communicate the Benefits to Stakeholders:
  - Transparency into all air travel expenses and ability to report meeting / event air costs
  - Single source supplier approach provides for centralized reporting
  - Use of airline contracts for group air
  - Ability to locate travelers during times of crisis
  - Negotiate group air services and costs strategically vs. event by event
  - Use of airline credits in one system vs. through multiple travel management companies

# Don't Forget! We Want to Hear From You!

Please take a moment now to complete an evaluation.

Go Green!  
Complete your evaluation from the mobile app or <http://m.gbta.org>.

*Paper surveys can be turned in to the GBTA room volunteer upon exit.*

A screenshot of a mobile application interface for the GBTA Convention 2012. The app is running on a tablet, as indicated by the status bar at the top showing 'iPad' and a battery level of 57%. The main screen displays a schedule for 'Anthony Hall' with dates from July 22 to July 25. A survey overlay is prominently displayed in the center, titled 'Survey' with a 'Back' button. The survey is titled 'Session Feedback' and contains the following questions: 'How would you rate the session overall?' with a 'Choose one' dropdown; 'Rate the speaker's Knowledge of Subject' with a 'Choose one' dropdown; 'Rate the speaker's Presentation Skills' with a 'Choose one' dropdown; and 'What did you like least about this session and how can it be improved?' with a text input area. The background of the app shows a Twitter feed on the left and a list of speakers and topics on the right. At the bottom, there is a navigation bar with icons for Messaging, Gallery, Home & Bus, Info Booth, GBTA, Social Media, Stamp, About The App, and Settings.