

**Those in charge of managing travel face challenging obstacles in today's workplace that prevent them from developing a successful travel management system that saves money, time, and travel headaches, while eliminating liabilities.**

Our customers and prospects have told us that they can see how an organization like ours consistently delivers value through travel cost reduction, productivity enhancement, and liability elimination. They also know that consolidating travel spending is the right course of action for such a complex and significant expense. These decision makers have also told us that they need help presenting and / or defending this concept to their colleagues.

**The following is insight which will allow you to confront and transform the common obstacles to developing a consolidated travel management system – versus allowing travel anarchy (i.e. allowing travelers and schedulers to book travel on their own as they see fit in an unmanaged and unmeasurable fashion).**

All progress in our lives requires us to go against some sort of gravitational system. Gravity in this sense means the forces that prevent us from moving or changing a position. Our customers tell us that without data and direction they can not support the concepts of travel management to decision makers. To move against gravity requires muscles and the following data will

give you the strength needed to make the necessary improvements.

### **OBSTACLES AND COMMON CONCERNS:**

#### **1) TRAVEL IS NOT THAT BIG OF A COST**

Travel is the second largest controllable cost for the average US company. It is often times the only unmanaged line item on a balance sheet. Travel spans every department and goal within an organization. A large and complex purchase left unmanaged can be dangerous and can lead to the wrong cultural message for an organization.

#### **2) TRAVEL IS EASY TO BUY**

As more fares, airlines, and itineraries are available in the marketplace today than any other time in our lives, no one booking technology has all the fares and itineraries of every airline (the likes of Travelocity, Expedia, and Orbitz do not display most low cost airlines for example). Knowing where to go for the best unbiased value and defining what that value decision shall be is critical to saving money and improving productivity.

#### **3) OUR PEOPLE LIKE TO BOOK ONLINE**

It is important to understand that there are personal on-line tools like Travelocity and Expedia as well as corporate on-line tools. Corporate on-line tools offered through agencies like ours display more airlines and fares than do personal sites, can be programmed to implement travel policies and procedures, administer a high-touch support system, deliver reports, and offer travel management systems development. All of this can be accomplished 24/7 for less money than an agency's full-service price.

#### **4) LOW COST CARRIERS ARE INSIGNIFICANT - I KNOW WHAT AIRLINES I WANT**

Twenty-eight percent of all flights today are on low cost carriers. Even the legacy carriers are trying to mock what these suppliers are doing. As they display their fares outside of normal distribution methods and grow in popularity, it's important to know how to get this data and these great savings opportunities. It is also important that your employees not waste time finding these fares. These airlines have unique fare rules and transferability processes. A professional can help guide the company and employees to the right value decision and can provide advocacy and direction. Travelers can get comfortable seeking out their favorite airlines and as a result they quite often leave significant savings opportunities on the table.

#### **5) UNMANAGED TRAVEL POSES NO THREAT**

The liabilities of traveling are significant. It is important to know where all your travelers are at all times in case of a national, weather, operational or personal emergency. Ensuring that employees are covered by the right insurance and that they select the right collision damage waiver is an organization's responsibility. Have you communicated to your travelers what is and is not reimbursable while on travel (traffic tickets and accidents, in-room expenses, communication costs, etc.)? Government contractors, publicly held companies, and many other organizations have a great deal of reporting requirements that suggest that without concise and consolidated data you can be in trouble. Issues like these would make your lawyers sweat and

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receiving guidance on these issues is critical.

#### **6) WE CAN SAVE MONEY IF WE DO IT OURSELVES**

Consider the labor costs you are absorbing to look, book, change, and process travel and then consider outsourcing to a professional. Then, consider if a professional can deliver better results for air, hotel, car, etc. Topaz International is an independent travel auditing firm. In 2003, they determined that corporate travel companies are finding fares that average \$171 less per transaction than their online counterparts. Just because you save on fees doesn't mean that your overall travel obligation will be reduced. We have found, and it is proven, that the combination of quality travel policies and procedures implemented by an unbiased travel fulfillment supplier who searches all locations delivers the best results. Lastly, agency's on-line reservation fees may only be a few dollars more than their on-line competitors.

#### **7) WE ARE DOING JUST FINE**

Have you measured your success? Without benchmarking data and a process by which you compare year to year costs in a consolidated fashion, you cannot know how you are doing and what opportunities are missed. A good agency can provide this data and reviews lost savings data that shows the fare offered to the traveler, the fare chosen, and a reason why the lowest wasn't selected. This data can be driven and sent to department heads who can change company culture on travel. Do you have a process for ensuring the use of unused non-refundable tickets? These amounts can add up quickly and if they are not utilized within specific periods of time, this money can be lost.

#### **8) I'LL NEVER GET ANYONE ONBOARD**

There isn't an expense where 100% of the people comply 100% of the time. Conversely, 80-95% is acceptable and can be improved upon. The right supplier can and should help you market and implement.

#### **9) SERVICE HASN'T BEEN AN ISSUE**

Any road warrior will tell you the importance of travel advocacy while on the road. What support do your employees have? If little or none exists, what is the cost in productivity and change fees? There is no better way to support a clear culture of cost containment on travel than to propose a plan that is supported by great service. If handling travel is a respite from an otherwise service-less world for your team then they will buy in and appreciate your travel program. Most people have not experienced such a relationship so they don't trust that you can provide one.

#### **10) BOOKING TRAVEL ON PERSONAL ONLINE SITES IS SECURE**

These days, data privacy through the major personal internet travel sites is hard to find. Make sure to read the release of liability clause that travelers would have complied with to use a public travel site and review it with your management team. In addition, spam effects employee productivity, and the security of your travel data may be an issue. Evaluate these issues with your management team.

#### **11) WE RECEIVE THE DATA WE REQUIRE ON TRAVEL VIA EXPENSE REPORTS**

The opportunities available in concise reporting are endless. A report can reconcile your credit cards against monthly agency data,

while inserting project or department codes. Companies can see who is and who isn't picking the lowest fare and why. You can retain invoice copies for a variety of compliance reasons, track spending data and average tickets costs for budgeting purposes, and use the data to negotiate with preferred suppliers.

#### **12) COMPANIES DON'T MANAGE TRAVEL ANYMORE**

The Destination Excellence Method is a new customer-focused way to help organizations develop their own travel management system and culture. It involves systems development based on the identification of dangers, opportunities, and strengths, shared best practices, high-tech and high-touch fulfillment, quality implementation and support, and on-going education and benchmarking. This is new in the marketplace as travel agencies (online and full-service) tend to focus all of their time and attention on fulfillment. While this is an important part of a successful travel management system, without a concise plan and definition of a travel culture, fulfillment never reaches goals - as goals are never set.

For more information on travel management systems and services (consulting and/or fulfillment), please contact MacNair Travel Management. We are passionate about this concept and have a remarkable program to support it.

Sincerely,



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