



## Developing a More Effective Travel Policy and Overcoming Objections to Travel Procurement



Savings. Solutions. Systems.

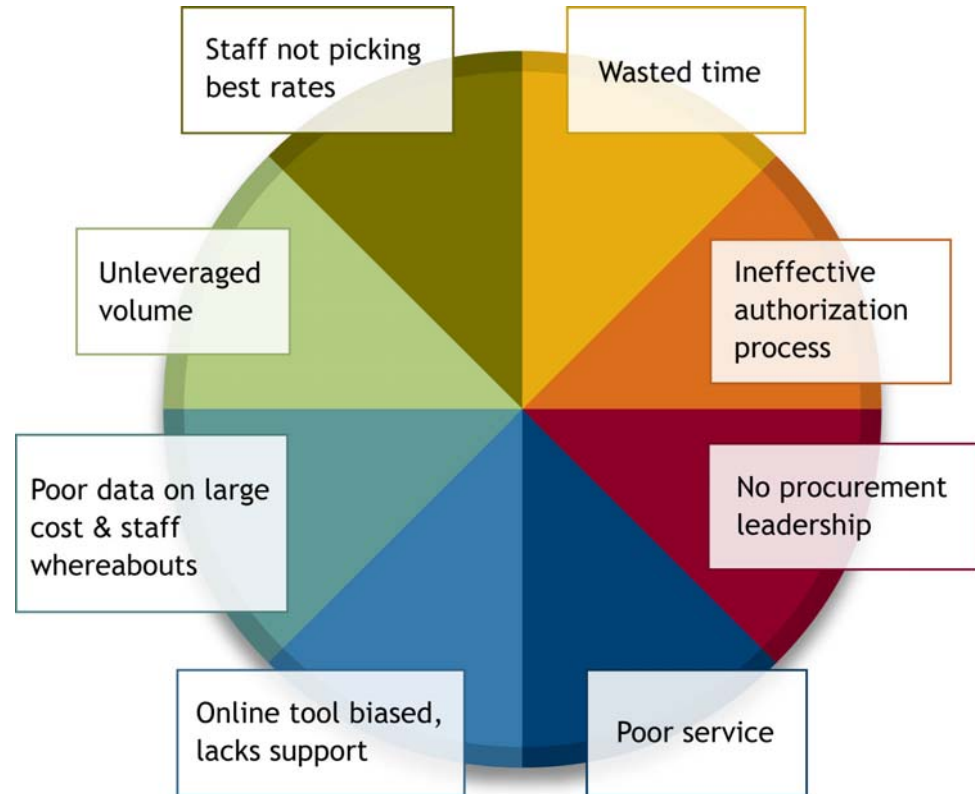
by Mike MacNair  
September 29, 2009

# The Results of a Travel Policy



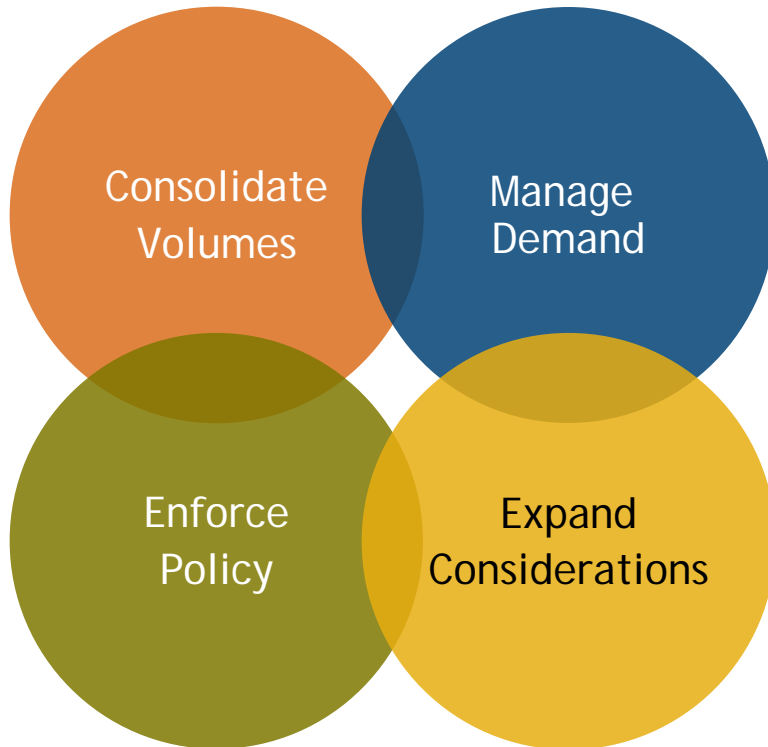
# How to Get Started

- ▶ Determine what is not working
- ▶ Secure templates of successful travel policies
- ▶ Assemble the “travel squad”



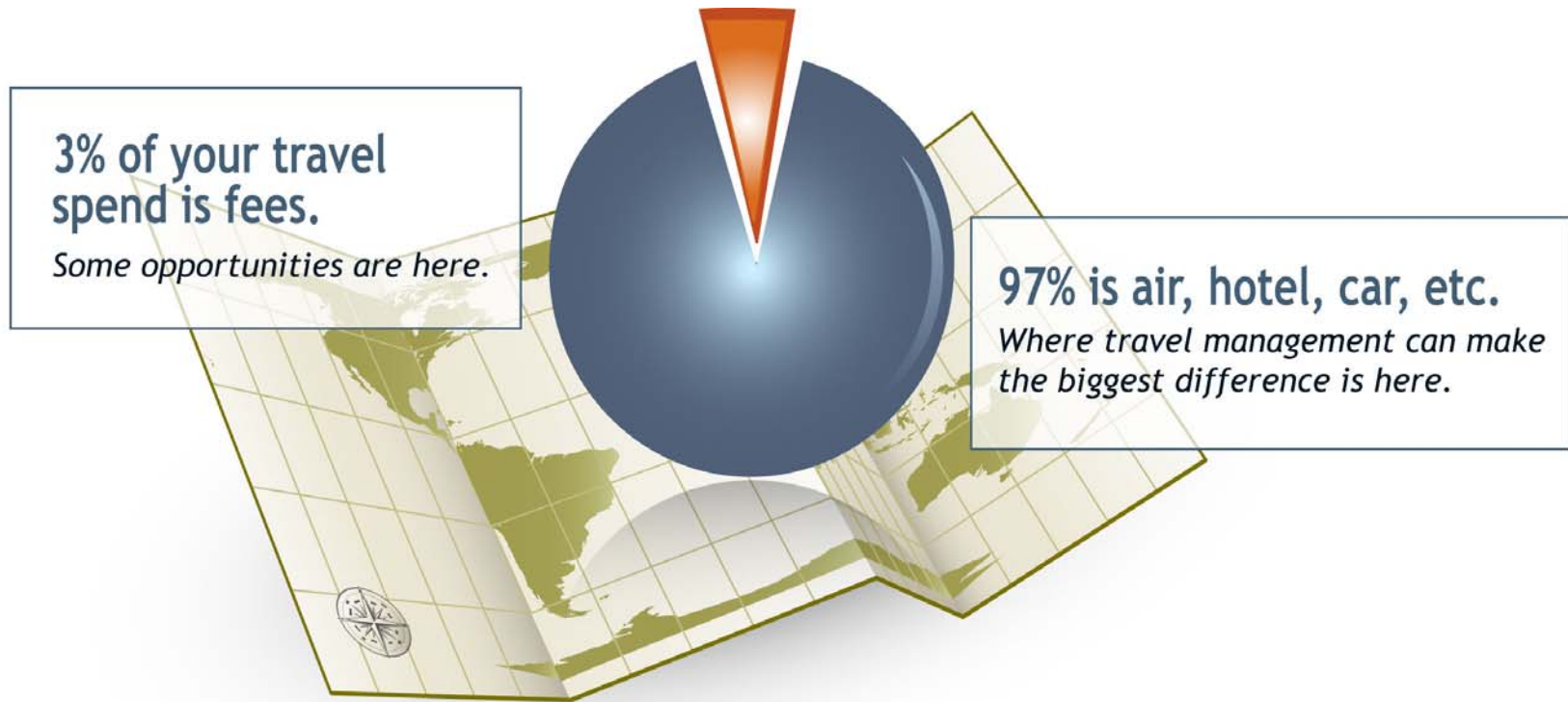
# Savings

## Value Leadership

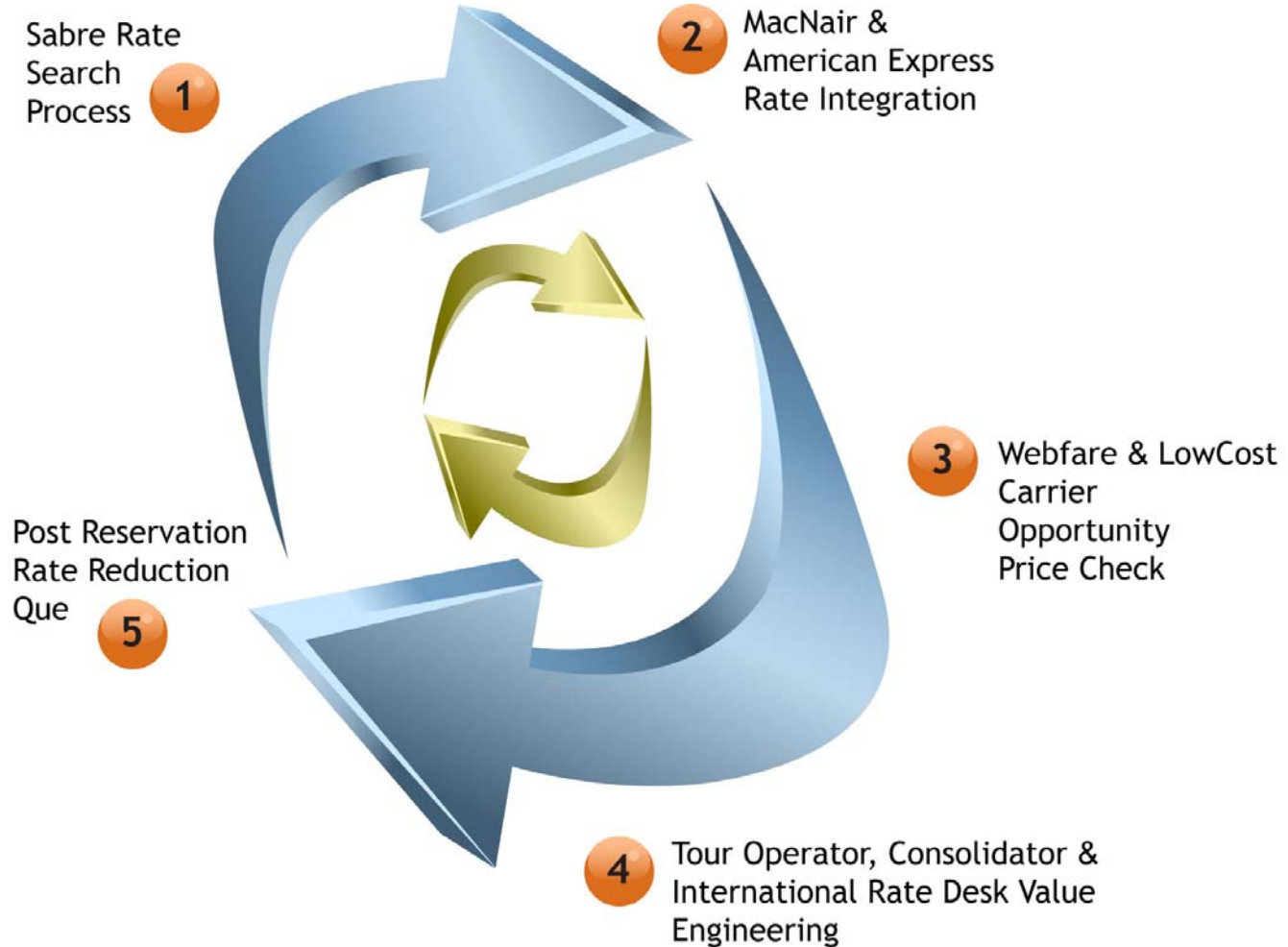


# Savings

## Fees and Fares



# Expand Considerations



# Productivity from Start to Finish

Action	Travel Procurement	Travel Anarchy
Look	Single unbiased source. Hold.	Multiple sources. Can't hold.
Book	Direct to policy & preferreds	Value in their eyes, biased
Profile	One & secure	Multiple
Terms & Conditions	One, scrutinized	Multiple, unscrutinized
Authorization	Pre-trip with data	Post trip no data
InFlight Support	Supported, relationship, authorized	Supplier dependence, call center, on own
Quality Control	Customized, data, seats, fares	Auto ticket
Reconciliation	To credit card with enhanced data	On your own, time consuming
Budgeting, Benchmarking & Policy Evolution	Data & leadership. Online & call-in.	On own
Unused Non-refundables	Optimized	On own

# Control Across Operations



# Control

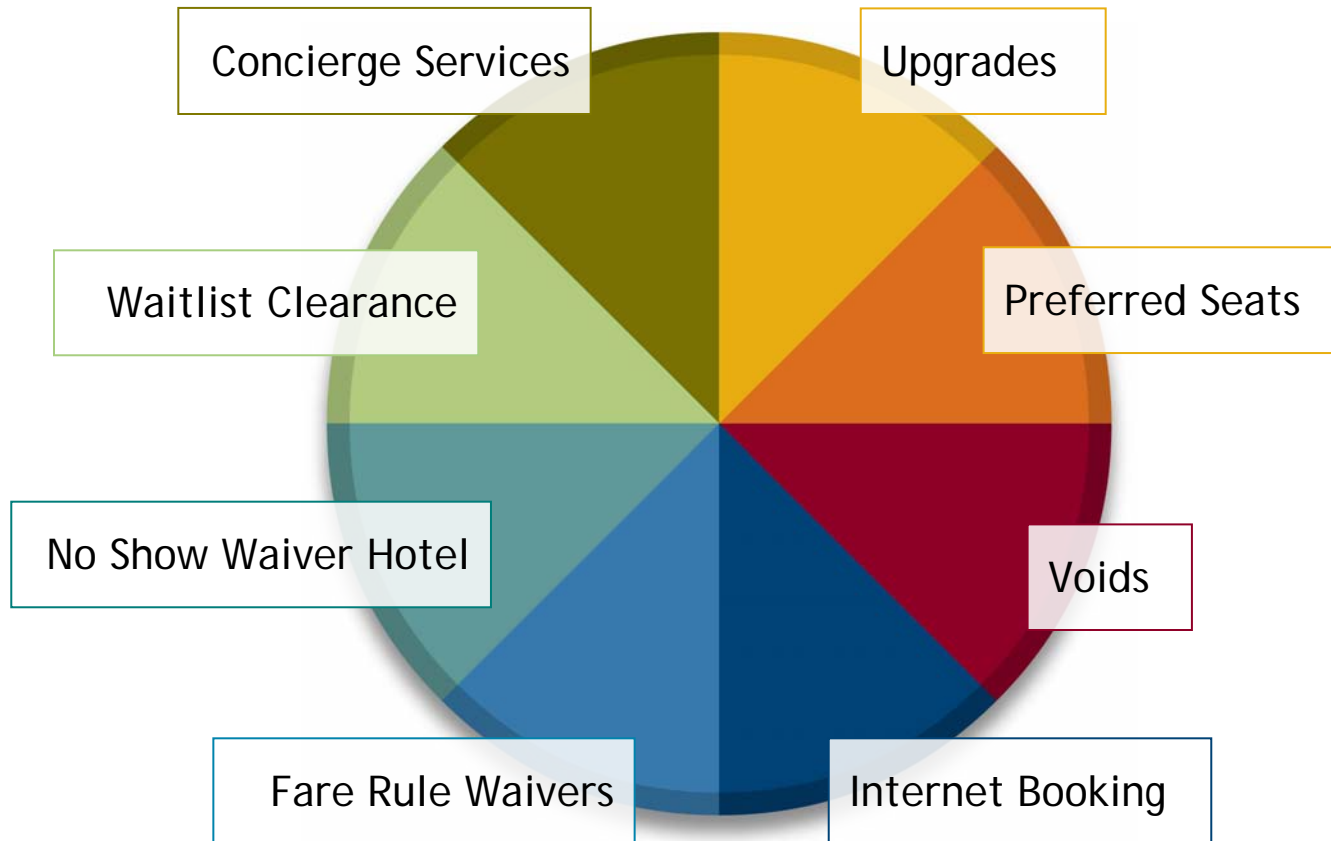
- ▶ Price - authorization, project, reimbursed, lost savings
- ▶ Emergency - 911, medical, arrest, family, insurance
- ▶ Data - codes, reasons, unused non-refundables
- ▶ HR - Duty of care, support, training, informed, risk management
- ▶ Compliance - Fly America, TARP, Sarbanes...

# Control and Balance



# Support

## Confidence and Special Services



# What to Cover



1. Where, enforcement, process, distribution
2. Leverage, yours, ours, commitment
3. Online, data, authorization, currency, international
4. Insurance, tracking, emergency plans, spam, terms
5. Access to unique airlines, price expectations, lowest fare, alternate airports, connections, advance purchase, car, hotel, & misc expenses
6. Alerts, resfax/resmail, 24 hr support, reconciliation
7. Online, comprehensive, single source
8. Complete service team identified 24/7
9. What, why
10. Groups, meetings, membership programs

## Execution Tips

- ▶ One point of contact
- ▶ Start slowly
- ▶ Big thresholds - airports, connections, airlines, advance purchase
- ▶ Executive buy-in
- ▶ Handle objections with data
- ▶ Leverage support from TMC
- ▶ Leverage travel squad
- ▶ Define penalties
- ▶ Be a cheer leader

# Execution Tips

▶ Benchmark Evaluate and Evolve

Fare Savings System Results	Domestic	International
National Average 2Q 2009 Source: Topaz International	\$485.26	\$3,380.13
MacNair Travel's Average 2Q 2009	\$385.67	\$1,950.96
Savings	\$99.59	\$1,429.17
What are your savings?	?	?

- Fare selected vs. lowest fare available
- Policy compliance (reason codes)
- Advance Purchase
- Cost of change
- Fare types selected

# Overcoming Objections to Travel Procurement

- ▶ Convince Executive Team
- ▶ Face price head on
  - more fares, airlines, and sources than ever before
  - access + clarify + enforcement + guarantees + communication = results
- ▶ Balance - Procurement System
- ▶ 2<sup>nd</sup> largest controllable cost - significant
- ▶ What other significant cost not "procured"? Office supplies?

## Overcoming Objections to Travel Procurement

- ▶ Alignment with culture of cost containment
- ▶ Time investment to visit 3-4 sites to get best value
- ▶ Eliminate the resistors with TMC. Understand issues.
- ▶ Online/call in - have options with TMC
- ▶ Duty of Care - 911, arrest, medical, emergency, conflict, family emergency
- ▶ Liabilities of Travel Anarchy - check with lawyer
- ▶ Spam/data security/terms
- ▶ The Best Practice for cool companies like Apple and Google
- ▶ The Best Practice for Government, TARP, Sarbanes

## In Summary

- ▶ Challenging times call for well managed travel. Sell the benefits and consolidate.
- ▶ Define policy update goals with travel squad
- ▶ Use partner companies, technologies, best practices to ensure a commitment to quality
- ▶ Deliver more clear and concise expectations covering your entire ecosystem
- ▶ Expand policy to address new costs and issues
- ▶ Develop control via a communication and/or authorization process...
- ▶ Collect data, monitor, leverage volume and tools, evolve
- ▶ Maintain Executive buy-in and staff commitment

**Enjoy savings, support, control and productivity**

# Questions and Answers

## PreFlight

- ▶ Identify DOS
- ▶ Make Cents of Travel Management
- ▶ Needs consultation

## Flight Plan

- ▶ Define objectives/ SOW
- ▶ Implementation and training
- ▶ Supplier relations

## Flight Certification

- ▶ Business intelligence/ reporting
- ▶ Evaluate success and opportunity
- ▶ Benchmarking, optimization

## InFlight

- ▶ Online and call-in superiority
- ▶ Alerts, trends and info.
- ▶ Drive adoption, training

