

Core Technology & Data Reporting



ONLINE BOOKING AND EXPENSE TECHNOLOGIES CREATE EFFICIENCIES FOR managed travel programs. Online bookings drive significant savings and support compliance on the front end, while automated expense systems smooth post-trip processes and support accurate data capture, particularly when integrated with a payment system. The resulting data and the reporting it makes possible define much of the value of these systems. Large and midsize companies have adopted booking and expense technologies widely, but new implementations still can be challenging. Corporations must choose the right technologies for their needs and understand the benefit of integrating them with existing systems. Travel managers considering these technologies should leverage their IT organizations' knowledge for the best results. Booking and expense technology suppliers continue to introduce improvements. Among the most important are mobile versions that support travelers while they are on the road. Travel programs, both new and established, should consider these mobile capabilities as part of their travel program strategy.

I. STRATEGIC PLANNING

Align the deployment of travel technology with your company's goals and objectives.

- A.** Begin developing a travel technology strategy by identifying and examining areas in which your company can realize the greatest service-level and financial gains. Benchmark your operation against best-in-class organizations. Once discrepancies are identified, create action plans. Consider the organization's readiness to promote and enforce travelers' and travel arrangers' use of technology, how travel fits with corporate IT strategies, costs and estimated return on investment, the availability of IT support and senior management interest. Including the major stakeholders from the earliest stages improves the process and helps to earn travel program support. It particularly is helpful to involve IT in testing new systems. Be sure IT understands the level of involvement; when products need very little IT support, your project may be scheduled earlier.
- B.** Determine if technology is already available within your organization that could include travel data.
- C.** Security concerns preclude some companies from linking networks with such outside organizations as TMCs, and some companies have strong firewalls that inhibit linking

to outside systems. Anticipate internal firewall and data access restrictions and requirements. Determine the compatibility of external systems with existing internal systems.

- D.** Consider including divisions or subsidiaries in other countries, and support technology and users in multiple languages. Ensure that you are aware of and in compliance with local data privacy laws.
- E.** Don't automate needlessly. Make sure the return is obvious and probable. This may be an important consideration for other countries in your program that may not be capable of supporting the technology and/or may not have sufficient volume to justify the required investment and process changes.

II. ONLINE BOOKING TOOLS

Online booking tools can reduce travel-processing costs in several ways.

- A.** Most corporations pay their TMCs less for facilitating automated reservations than for traditional transactions that involve agent interaction, thus cutting the cost of the booking process. Online bookings typically are divided into completely unassisted transactions, which are fully automated (and incur the lowest cost), those with limited agent intervention and fully assisted transactions, which carry higher fees.
- B.** Automated fulfillment (ticketing and quality control processes) can allow corporations and their contracted TMCs to handle more volume with the same headcount, although non-automated transactions—often related to international, multi-leg and so-called "open-jaw" itineraries—are more complex and require more time and expertise.
- C.** Online tools offer policy controls and preferred supplier management that client organizations can configure for their needs.
- D.** When evaluating how widely to deploy tools that obtain travel data and make bookings, consider:
 - 1.** Easy access: If the company culture encourages self-sufficiency, giving

everyone access to the reservation system should improve efficiency by reducing or eliminating direct telephone contact with travel agents. This includes access via mobile devices. But also consider end users. Senior executives (and/or their executive assistants) initially may resist online booking, for example.

2. **Policy mandates:** Companies that drive the highest adoption rates sometimes have some form of mandate in place. Policy mandates can be full or partial, with some including specific language to book, for example, all domestic trips online, while others mandate such bookings only for simple roundtrips or for specific city pairs. Some companies have cultures that are not conducive to mandates but effectively can drive compliance through well-communicated travel policies that are strongly encouraged by management.
3. **Fee differential as incentive:** Some companies that charge different per-transaction fees based on the form of booking at the point of sale have achieved high levels of adoption without a mandate. Often, the fee for a telephone booking with an agent is at least twice as high as the fee for an online booking. Charging higher fees for online transactions requiring human intervention also can prompt travelers to strive for unassisted transactions.
4. **Reduced level of live-agent service:** When there is no cost impact, some travelers will use a live agent if given the option. Some companies mandate the online system for all travelers for certain types of bookings and use agents only for more complex bookings, including international ones.
5. **Senior-level buy-in:** High-level support from a senior executive, preferably the CEO or CFO, can be helpful if not essential.
6. **Pilot groups:** Some companies proceed methodically after beginning technology implementations with a small, controlled group of interested users, often the most technologically aware and/or the

most frequent travelers. Other companies may endeavor to roll out a system companywide within three months.

7. Some online tools offer online/offline functionality, where all reservations—regardless of complexity—start in the online tool. A rules engine determines which reservations are eligible for online booking and which an agent should handle. The offline reservations are provided to an agent in a structured format, which eases the booking process.
- E. Online booking systems either contain or can tie into separate pre-trip approval systems, allowing additional methods of controlling costs and tracking travelers. Some systems use passive approval, or pre-trip notification, rather than active approval, or pre-trip authorization, to avoid unnecessary bottlenecks. Other systems provide comprehensive pre-trip authorization processes that work with existing ERP systems and workflows.
- F. Considerations.
 1. Determine which bookings are eligible and ineligible for online booking. For many companies, 100 percent of all domestic bookings with four legs or less are eligible, as well as all simple, roundtrip international itineraries. Focus on increasing the number of the eligible bookings.
 2. Determine user expectations. Is the speed and user interface of the self-booking tool in line with traveler expectations? Consumer products that are more adaptive and have different functionality can create challenges in meeting expectations and traveler frustration with corporate tools. Corporate online tools generally are behind the leisure market in terms of usability and design.
 3. Can the self-booking tool access and consolidate inventory from global distribution systems and non-GDS sources, and support direct supplier connections? How does the online booking system manage unused ticket credits, changes and exchanges?
 4. Is the TMC contract based on a shared-cost configuration or

another arrangement under which savings generated by the use of online booking systems are passed on? If planning rapid migration to online booking, a fully loaded transaction-fee relationship with a TMC allows you more quickly to take out costs on the traditional full-service side. Make sure the TMC plays a role in increasing online adoption.

5. Identify customer support services provided by technology providers. Will customer service be provided by in-house IT, the technology provider or the TMC?
6. Determine whether the TMC or the corporation will own, license or control the technology. There are several considerations when assessing a direct contract with the technology provider versus using a tool via a TMC's reseller agreement. This area can have significant cost and service implications over time.

III. TRAVEL DATA REPORTING

TMCs and independent suppliers offer the means for clients to produce management reports that conventionally form the basis of supplier contract negotiations, travel policy development, risk management and budget forecasting. Pre-trip reports allow managers to take action before a trip has taken place.

- A. Travel managers should require programs that let them produce standard reports and report-writing features to design custom reports. Advanced reporting tools provide more analytics, such as benchmarks to determine relevance to peer groups, trend analyses to determine the effectiveness of programs and recommendations to improve performance.
 1. TMCs aggregate data from raw booking records that originally come from GDSs, online booking tools and internal accounting systems. Other travel data can come from airlines, hotels, car rental companies, ground transportation providers, itinerary aggregators, dining solutions providers and others. Some systems enable the user to merge supplier data with TMC data. Card data and expense

- reporting feeds, meanwhile, provide additional insight and may be more effective depending on goals.
2. A number of third-party data consolidation services aggregate data from multiple TMCs and countries and provide corporations with management reports that can help identify market opportunities. However, data protection regulations vary by country, and data privacy remains hotly debated.
 3. Some corporate intranets have standard online reporting tools to give managers actionable information. Most providers offer data dashboards optimized for tablets and other mobile devices that enable snapshot reports.
 4. Seek suppliers that not only deliver travel information electronically in standard report formats, but also provide web-based ad hoc reports and expertise to build highly complex reports across multiple databases. Be sure to define "ad hoc," which should mean reporting that enables the users to pick and choose which data fields they want.
 5. Reports are used not only by travel management departments but also by many other groups within a company, such as finance, human resources, safety and security, site services and purchasing. Rather than training many individuals to use the online reporting tool, pre-program certain reports and push them to budget-holders so they can track travel consumption as needed.
- B. Considerations for handling your own management data reporting.**
1. Hardware and software costs: As is true for all automated services provided by a TMC, even if hardware and software are provided as part of a total service package, the costs will be factored into your overall TMC agreement. Also consider engaging a consultant or other third party.
 2. Time and personnel resources.
 - a. There will be an initial learning curve and a continuing investment in time to make effective use of the system, although graphics and point-and-click techniques for interaction should

- provide relative ease of use.
- b. More than one person in the travel department must be able to work with the system. Consider information skills when staffing. Internal audits may benefit from direct access to the systems.
3. Consult with other companies of similar size regarding their experiences with reporting systems. Ask vendors to provide a list of all corporate customers. When buying any technology, references from trusted sources are critical.
 4. Operating features.
 - a. Don't take claims of the tools' user-friendliness at face value. Work with the system.
 - b. Think about what to do with the system's output and who will see it.
 - c. Evaluate reporting formats to ensure you can produce the figures you need. Ask if your TMC can produce average figures for the same data points. If you need global data, find out if the system will enable you to compile it. Ask if the system has integrated graphing; if not, you will need a separate graphics package.
 - d. Ask questions about system maintenance and support, software updates and follow-up expenses.
 5. Data integrity: The information you receive in reports only will be as good as the data that passes from reservation records into the accounting system. Investigate the accuracy of current reports and establish front-end procedures to produce the most reliable and comprehensive data. Work with your suppliers to score data accuracy for critical data elements. In this way, problem areas are highlighted, solutions can be developed and partnerships strengthened.

IV. EXPENSE REPORTING

Many companies have reported a quick return on investment from automated expense reporting. Cost savings appear relatively quickly and are easy to quantify. Automated expense management solutions enable corporations to feed expense information to accounting systems and maximize the benefits of corporate

card programs. These solutions offer a variety of capabilities, including feeding booking and corporate card data into expense reports; routing, approvals and workflow; and reimbursing travelers via automatic funds transfer. Providers offer mobile software that collects entries and captures receipt images. The most advanced solutions also include robust analytics. Legal and regulatory requirements can make automated expense reporting systems, which have built-in audit controls, more attractive. Ideally, automated expense systems capture booking and credit card data and download it into prepopulated expense reports as the traveler incurs expenses. The traveler can make additions and corrections and forward the report to a manager through the corporate accounting system. This has been the long-time promise of electronic hotel folio data, which some expense tools, payment systems and hotel chains currently provide.

- A. Typically, the finance organization originates the initiative to rework an expense accounting process, and the corporate travel manager is involved as a member of a cross-functional team seeking solutions. Travel managers and experts in accounting and information systems need to examine each expense system option to determine whether it meets the company's goals and objectives.
- B. Automating expense reporting can:
 1. Give companies more control over spending, especially for meals, travel and entertainment.
 2. Make it easier for travelers to accurately complete expense reports.
 3. Encourage corporate travelers to use online booking software or the corporate card to prepopulate expense reports.
 4. Cut the administrative cost of expense reimbursement processes.
 5. More efficiently and accurately post expenses to company general ledger and accounts payable systems.
 6. More accurately track expenses by business area or billing code, and meet regulatory reporting requirements.
 7. Manage cash more effectively by reconciling expenses with advances issued by the company.
 8. Pay corporate card balances and

reimburse travelers more efficiently.

9. Route reports electronically for manager approval.
 10. Provide management information for the specific purposes of enhancing forecasting and travel supplier negotiating.
 11. Make receiptless processing possible for prepopulated corporate card items.
 12. Provide comprehensive pre-trip travel authorization processes.
- C. Considerations.**
1. How unique is your process for managing travel and entertainment expenditures? Will you need customization, or at least the ability to configure the system in various ways? Does your company require integration with multiple corporate payment systems? Does your company require integration with multiple expense management systems in various countries? What about variety in policies requiring a complex configuration and/or integration with multiple systems?
 2. Does your company have an enterprise resource planning system with a built-in module for travel expense management?
 3. Would your online booking and management reporting solutions interact with a proposed electronic expense solution? How? Is there a really good reason to expend the significant effort needed to integrate expense reporting with other travel management technology, such as the online booking tool?
 4. Can the system validate mission-critical company information? Many organizations rebill their travel costs, and accurate accounting of cost center information, project codes or job numbers is vital to proper and accurate client invoicing.

V. SUGGESTED QUESTIONS WHEN BUYING TECHNOLOGY

- A. What is the technological expertise and travel experience of the developer?
- B. How well-funded is the travel technology supplier, and how likely is the supplier to continue to support you months and years from now?
- C. What is the supplier's responsibility for support, maintenance and enhancements after the initial purchase?
- D. What training will the supplier offer travel managers and travelers? Is training necessary or is the technology intuitive?
- E. Does the supplier invest in long-term system enhancements? How often are new releases of the system issued?
- F. How many corporations have installed the system?
- G. Will the supplier provide recent reference accounts with whom you can speak? Can any reference accounts provide objective data that demonstrate a return on investment for the system?
- H. Will you consider a system purchase, hosted service or software license?
- I. How quickly will a purchase generate a return on investment for your company?
- J. What are the timelines involved in testing and implementing the system?
- K. Can the supplier implement, support and enhance a global product?
- L. What mobile options are available?
- M. How is customization generally handled? Is the sign-on process easy? Many IT departments insist on single-sign-on where possible, providing access to all company applications.
- N. Is the system dependent on any specific equipment or programming language, such as Java, HTML or XML?
- O. What are the data warehousing and data mining capabilities of the system? What are the supplier's confidentiality and indemnification provisions for the data and the technology? Who owns the data, you or the supplier? How well will the database integrate with your current information technology environment? How, how often and to where will data be backed up? Understand the duration for which your organization generally stores data.
- P. Will the supplier let you test the product on a demonstration site?
- Q. What about a free pilot to validate both the difficulty in implementing and in using the system?
- R. Who provides level 1 and 2 support and how extensive is each level?
- S. For online booking tools:
 1. Is the system fast and easy to use for booking and trip retrieval?
 2. What content is offered? Are non-GDS suppliers integrated? What fees are applied when searching or booking non-GDS content?
 3. Does the tool provide the ability to synchronize online and offline profiles? How does the traveler profile management tool integrate with the GDS, online booking tool, and HR or ERP system?
 4. Can the tool facilitate an approval process? What happens if the primary approver does not respond within a reasonable period of time?
 5. How does the tool ensure data integrity and security?
 6. What online fulfillment operations and strategy are in place by region?
 7. What technical or navigational support is provided for travelers and in what languages?
 8. What is the cost for ongoing support after the initial implementation?
 9. Will the supplier be involved in prioritizing ongoing enhancements and changes to the system functionality?
 10. Can the technology help move share to preferred suppliers?
 11. Does the system generate a booking that is easily ticketed and touchless?
 12. Can the system support corporate discounts?
 13. In the case of an agency switch, will access to system data be available?
 14. Are mobile bookings and changes options?
 15. What capabilities does the system offer to purchase unbundled airline services, such as preferred seating?
 16. Does the system auto-acquire bookings made through traditional channels?
 17. Which criteria can trigger a dynamic message to a user?
 18. Can the TMC and developer provide sufficient support?

Prepared by Elizabeth West with assistance from The Advisory Board Co. vice president of business solutions Steven Mandelbaum.