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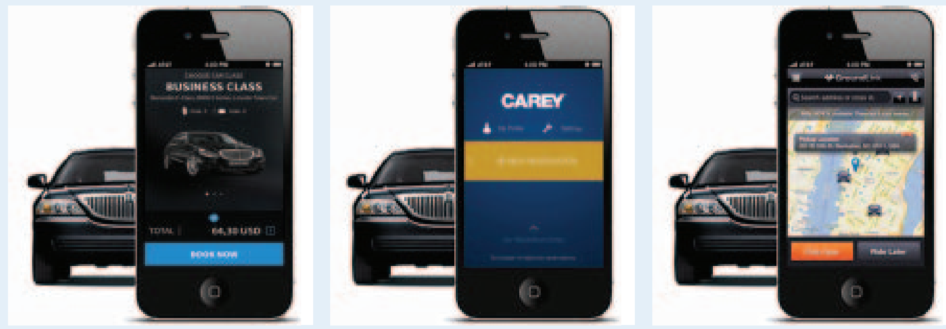
BUSINESS TRAVEL NEWS



COMPARING APPS: 3 Chauffeured Car Apps Side by Side

See how GroundLink, Blacklane & Carey Mobile App compare on business model, geographic reach, fleet, advance booking window, cancellation policy, driver tracking & how long drivers will wait.

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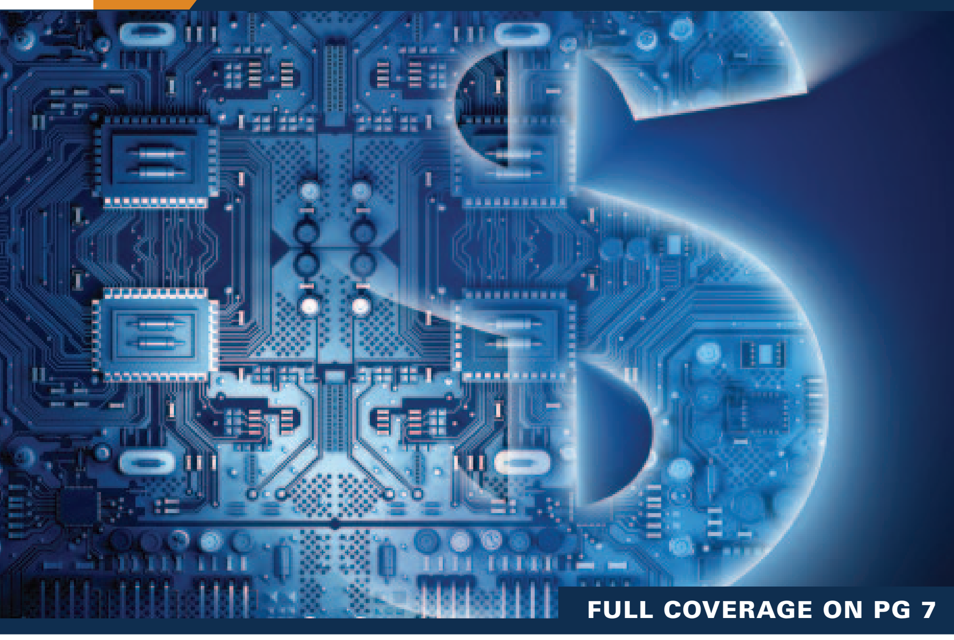
FEATURE



FULL COVERAGE ON PG 7

2017 EXPENSE MANAGEMENT REPORT

Next-Gen Expense Management

The technology is here, now, to eliminate expense reports and expense approvals. Imagine a system that imports a corporate card transaction for a $9.84 lunch at McDonald's, determines the transaction is within policy and within the norm for the employee, approves the transaction for reimbursement and initiates a direct deposit. There's the potential for fraud, and travel managers can name other reasons to stand by their traditional expense reports. They could be right, but there also are efficiences. If the idea of real-time, automated expense reporting—and even approval—makes your stomach turn and makes your CFO spin in her chair, dig deep and ask the real reason why. It may turn out that you're ready.

New Trump Order Revises Immigration Restrictions

BY ELIZABETH WEST

President Donald Trump issued a revised executive order on March 6, placing U.S. travel immigration restrictions on Iran, Libya, Somalia, Sudan, Syria and Yemen. On Feb. 3, District Judge James Robart halted the previous, Jan. 27, executive order, and on Feb. 9, the Ninth District Court upheld that decision.

The revised order dropped Iraq from the list of countries affected, citing the "cooperative relationship between the United States and the democratically elected Iraqi government, the strong United States diplomatic presence in Iraq, the significant presence of United States forces in Iraq and Iraq's commitment to combat ISIS" as justification, despite Iraq's presence on a list of countries the Obama administration said presented "heightened concerns about terrorism and travel to the United States."

The new order also revised timelines. On March 16, nationals of the six affected countries will be denied entry to the U.S. for 90 days and decisions on all refugee applications will be suspended for 120 days. That includes Syrian refugees, whom the previous order suspended indefinitely.

The original executive order automatically revoked as many as 60,000 valid travel visas. The revised order reinstates those and confirms that visas issued between Feb. 3 and March 15 will be valid. It also confirms that the order does not apply to green card holders or to those with temporary student or work visas.

The absence of these carve-outs within the original order was of critical concern in the suit filed by the states of Washington and Minnesota, over which Robart presided, particularly in terms of reduced business travel and uncertainty around temporary work visas, as well as research and student travel associated with state universities.

The new executive order may not alleviate uncertainty for international travelers. On

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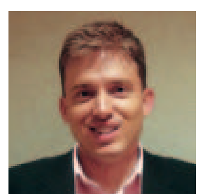

Head of business travel David Holyoke on accelerating Airbnb's reach in the corporate travel space.

"We want to build further awareness and education [among small and midsize companies]. With enterprises, we want to dive deeper in terms of what we're going to build out to address the compliance and control issues."

6 | Data Hub

Risk Management Among European Companies

More than a quarter of companies either lack confidence or are only moderately confident they could address a travel-related crisis should something happen tomorrow.

WHAT DIDN'T WORK DURING RECENT INCIDENTS

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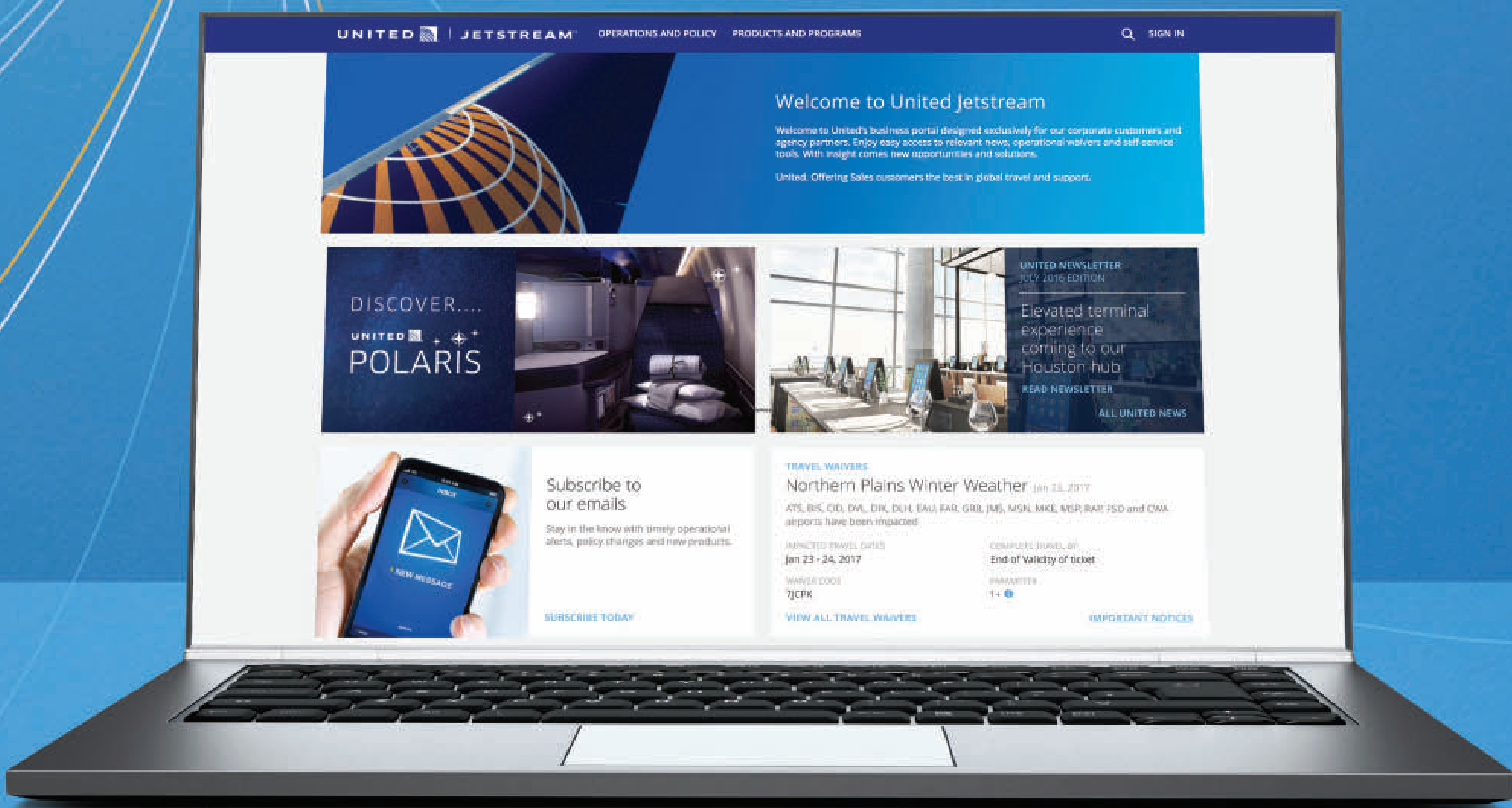

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Brexit & Trump Make for Uncertain Travel Forecasts

Polls did not predict that U.K. citizens would vote for their country to leave the EU on June 23, nor did they foresee that Donald Trump would become the U.S. president on Jan. 20. Now that those things have happened, what have become unpredictable are travel forecasts.

Brexit

Air travel into and out of the U.K. likely will fall 3 to 5 percent by 2020 because of Brexit, KPMG Brexit Centre of Excellence director Rohitesh Dhawan said at the recent Business Travel Show. However, there will be a short-term spike in travel by banks and professional services firms as M&A activity rises. The sharp devaluation of the pound following the June 2016 referendum vote for the U.K. to leave the EU has made British companies an attractive M&A target for businesses based elsewhere in the world.

One reason Dhawan expects business travel to fall in the long term will be a loss of jobs from the City of London to other financial centers. Dhawan said employers in several sectors have stopped hiring in the U.K. and others are considering replacing human labor with automation.

Dhawan spoke on a panel with Association of British Travel Agents chief executive Mark Tanzer and with Mark Cuschieri, chairman of the Institute of Travel Management, a business travel association in the U.K. and Ireland. Notably, the session identified no upsides from Brexit for business travel, only risks that need to be managed. “The biggest risk is the volatility of the pound,” said Dhawan. “You have to factor in the currency risk and how you plan for that.” Cuschieri said a survey of ITM buyer members found 70 percent expect their air costs to rise as a result of Brexit and 63 percent expect higher hotel costs.

Another concern is entry for U.K. visitors to EU states and vice versa. “Hopefully, sense will prevail, but there will be at least another area of checks,” Dhawan said. Cuschieri added, “Anything that changes freedom of movement adds complexity.” U.K. immigration minister Robert Goodwill told parliament the EU is considering a version of the U.S.’s Electronic System for Travel Authorization for visitors from Visa Waiver Program countries. If so, this might apply to U.K. visitors to EU countries.

Freedom of movement for airlines also needs to be addressed. Commercial aviation is deregulated for carriers registered within the EU. The U.K.-registered EasyJet, for example, can fly from the U.K. to other EU countries. But the EU’s Open Skies agreements with the U.S. and other countries no longer will include the U.K. “The [U.K.] government has to realize this needs to be covered within the two-year time frame” of Article 50, the official notice a country must give of its intention to leave the EU,” said Tanzer.

Dhawan said corporations need to rethink their approach to risk management. “Political risk is no longer just a developing-country project. It’s now a developed-country project, too. You have to include it in your planning.”
—Amon Cohen

Air travel into & out of the U.K. likely will fall 3% to 5% by 2020 as a result of Brexit, according to KPMG’s Rohitesh Dhawan.

Trump

According to a forecast prepared before Trump took office, the Global Business Travel Association expects 2017 U.S. business travel spending to reach $296.1 billion, a 4.4 percent year-over-year increase over 2016. That’s more than half a percentage point higher than the 2017 projection GBTA made during the third quarter. GBTA expected business travel spending in 2018 to top $311.7 billion. The adjustments owed to better economic growth expectations domestically, resulting from President Donald Trump’s presidential victory, and to optimistic growth expectations in foreign markets.

Now that Trump’s policies are becoming clear, though, the forecast could change. GBTA estimates that his order banning travel to the U.S. from seven Muslim-majority countries lost the travel industry $185 million in business travel bookings in its first week. After courts halted that order, Trump issued a revised executive order on March 6.

“The ultimate concern is that the lasting impact of the travel ban … could cause other countries beyond just those named in the ban to think twice about planning meetings and events in the United States,” GBTA executive director Mike McCormick said after the first order. “This could create a huge impact, as each inbound international business trip increases U.S. merchandise exports to the visited country by $36,000 per year and each overseas traveler spends approximately $5,000 when they visit.”

Meanwhile, renegotiating or withdrawing from trade deals could improve domestic business travel, but “international retaliation would be highly likely and the overall net impact could quite possibly be negative,” McCormick said. And reducing corporate tax rates and regulations and increasing infrastructure spending could boost business travel spending, unless companies use the profits to buy back company stock or raise dividend payments, according to GBTA.
—JoAnn DeLuna

CONTINUED FROM FRONT PG

Sunday, U.S. Travel Association president Roger Dow urged Trump to include “language making clear that the U.S. welcomes and values legitimate international business and leisure travelers.” Dow’s statements cited mounting signs of a chill on demand for international travel to the U.S. and that a failure to welcome international travelers would “double-down on doubts, discontent and division that risk significant economic harm.”

Reacting to the revised order, Dow said, “It doesn’t appear that the administration fully seized the opportunity to differentiate between the potential security risks targeted by the order and the legitimate business and leisure visitors from abroad who support 15.1 million American jobs.”

Global Business Travel Association executive director Mike McCormick praised the narrowed scope of the revised order but said, “Any increased restrictions on passenger travel must be based in safety and security to ensure that the ability to travel is not impeded unnecessarily. It will remain a focus of the business travel industry to hold disruptions to a minimum.”

Constitutionality issues remain in play, as well. Civil liberties organizations and other groups maintain that the restrictions have been levied against majority-Muslim countries though individuals from these countries have not perpetrated a terrorist act on the U.S. since 2001. As a result, they say the executive order still constitutes a veiled Muslim ban and is likely to face similar legal challenges to the Jan. 27 version. On this count, the revised order cited terrorism-related arrests since 2001 of “hundreds of persons born abroad” and the more than 300 open counterterrorism-related investigations of people who entered the U.S. as refugees. The order did not cite whether any current investigations are associated with nationals from countries affected by the revised restrictions.

What's on the Mind of Airbnb's New Head of Business Travel

In the past two years, Airbnb has launched tools geared toward travel managers, partnered with corporate lodging provider BridgeStreet Global, opened its business platform to third-party bookings and inked deals with the three mega travel management companies. According to Concur, corporate travelers' use of Airbnb has increased. Now, Airbnb has tapped an executive from within the corporate travel industry to lead its business travel department. BTN lodging editor Julie Sickel spoke with Airbnb head of business travel David Holyoke, former president of Travel Leaders Corporate, who joined Airbnb in November.

Airbnb head of business travel David Holyoke talks:

- Sales strategy
- Safety & security
- Finding the right use cases with corporates

WHAT'S THE NO. 1 ITEM ON YOUR AGENDA?

We have some work to do on the education front. Airbnb is a part of the managed travel ecosystem. We're going to have to address that first through some good old consumer marketing to let the marketplace know. Then, what we're doing on the sales front for engagement with travel managers and business leaderships is to talk about how we can be working together.

WHAT IS THE COMPANY'S APPROACH TO SALES?

We have a global sales team that continues to expand. We've got feet on the ground in the Asia/Pacific area and EMEA and then obviously in North America. That team's focus is to talk directly with travel managers and other business stakeholders within organizations about how we can fit into a managed program. But this is a two-way conversation. We've got a lot of things we're doing around content marketing and the sales team's efforts to talk to business leadership that we are a cost-effective option, but we're also asking how we can fit within their policies and compliance and controls. Then there's a message to business travelers in general about where the experience side of business travel has gotten a lot tougher.

HOW ARE YOU ADDRESSING LINGERING SAFETY AND SECURITY CONCERNS AMONG CORPORATES?

We've talked with travel managers where there have been objections or concerns, really giving them insight into [the broader company's] trust and safety group, hundreds of individuals whose mission is to ensure the safety and well-being of both guests and hosts. That's everything from data protection, credit card fraud, all the way up to a rare incident that could occur. We give insight into that world and the steps that we take for verification processes, the secure messaging that happens between hosts and guests to get [travel managers] that level of comfort.

WHAT OTHER WAYS ARE YOU ADDRESSING CONCERNS?

We try to drive all of our conversations around Business Travel Ready listings because that sets a standard around amenities and quality. We also talk about our Superhosts, people who are regular users on that platform who have a high commitment to quality. If folks want to talk a little bit more about limiting Airbnb use to certain markets on a pilot or a limited rollout, we work through those issues, as well, as long as it's with the intent of progressing to a fuller rollout.

We recognize that we're new in the managed travel space. There are a lot of travel managers and companies trying to understand how the sharing economy fits into their program, so we're not trying to come into this space and say, "Hey, you have to use us for everything." The initial conversation is, "Where are some pain points or some opportunities?" and then how do we move that forward from a promotion standpoint? And for us, a promotion can be a very limited, targeted pilot. It can be driven by a market. It can be driven by certain departments. We make sure there are strong KPIs on both sides for how we track success. But we've certainly done pilots in markets and will continue to show that flexibility to the corporate space.

WHAT INDUSTRIES OR COMPANIES DO YOU WORK WITH MOST OFTEN?

I wouldn't say there's one industry that dominates. Where we see Airbnb working within organizations is where there are specific use cases. More than three nights is where we're probably focusing; five-plus nights is a heavy percentage. In that regard, it can be project-based work, it can be group work, it can be road warriors who travel to the same city consistently, it can be related to certain types of travel, whether for relocations, new hires, interns, groups and meetings.

We're trying to drive our conversations with companies where we can complement their programs today. This is not about us versus hotels. Where companies are getting compliance at a 70 to 80 percent level, I talked to the team internally here about focusing on going after that 20 to 30 percent: Where is there leakage? Let's work with travel managers and procurement individuals to understand why their policies aren't working in those particular areas and how our platform can help them accomplish that. Usually there are very specific use cases for why that program isn't working on that 20 to 30 percent, and we try to dig deep to understand that. We're trying to bring that into the program and provide that visibility.

WHAT ARE YOU FOCUSED ON IN THE MIDTERM?

There are some things we can do on the small to midsize front to accelerate things; we want to build further awareness and education. Then with enterprises, we want to dive deeper in terms of what we're going to build out to address the compliance and control issues. We're aligning our strategy and our marketing efforts around those two standpoints and then working to expand our footprint in main-driver markets around the world. That's where we're putting a lot of emphasis in the next 12 to 18 months.

> **"This is not about us versus hotels. ... Let's work with travel managers and procurement individuals to understand why their policies aren't working in ... particular areas and how our platform can help them."**

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Risk Management Among European Companies

Last year, health and travel security incidents affected the business continuity of 46 percent of European companies and organizations, according to a survey by International SOS. "While organizations have medical and travel security risks high on the agenda, the survey demonstrates that a rigorous implementation and an ongoing communication process is key to ensuring programs are utilized effectively," said International SOS Northern Europe managing director Karel van de Pijpekamp. If a lack of communication causes unsuccessful management of travel security risks, there could be costs and business continuity risk, she said, adding, "It also highlights a possible gap in duty of care when it comes to the well-being of mobile workforces."

WHAT DIDN'T WORK DURING RECENT INCIDENTS

- Access to information about the situation: 43%
- Communication with staff: 43%
- Awareness of roles & responsibilities: 30%
- Location of employees: 30%
- Assistance on the ground: 27%

WHAT THEY PLAN TO DO ABOUT IT IN 2017

- Improve communication: 70%
- Review/gap analysis of travel risk policy & procedures: 51%
- Regular training for mobile workers: 50%
- Drills with crisis simulation exercises: 47%

Source: International SOS's 2017 Business Impact of Travel Risks Survey of 257 executives in security, travel, health & safety, risk, HR, operations & general management in Europe, conducted Nov. 16-Dec. 11, 2016

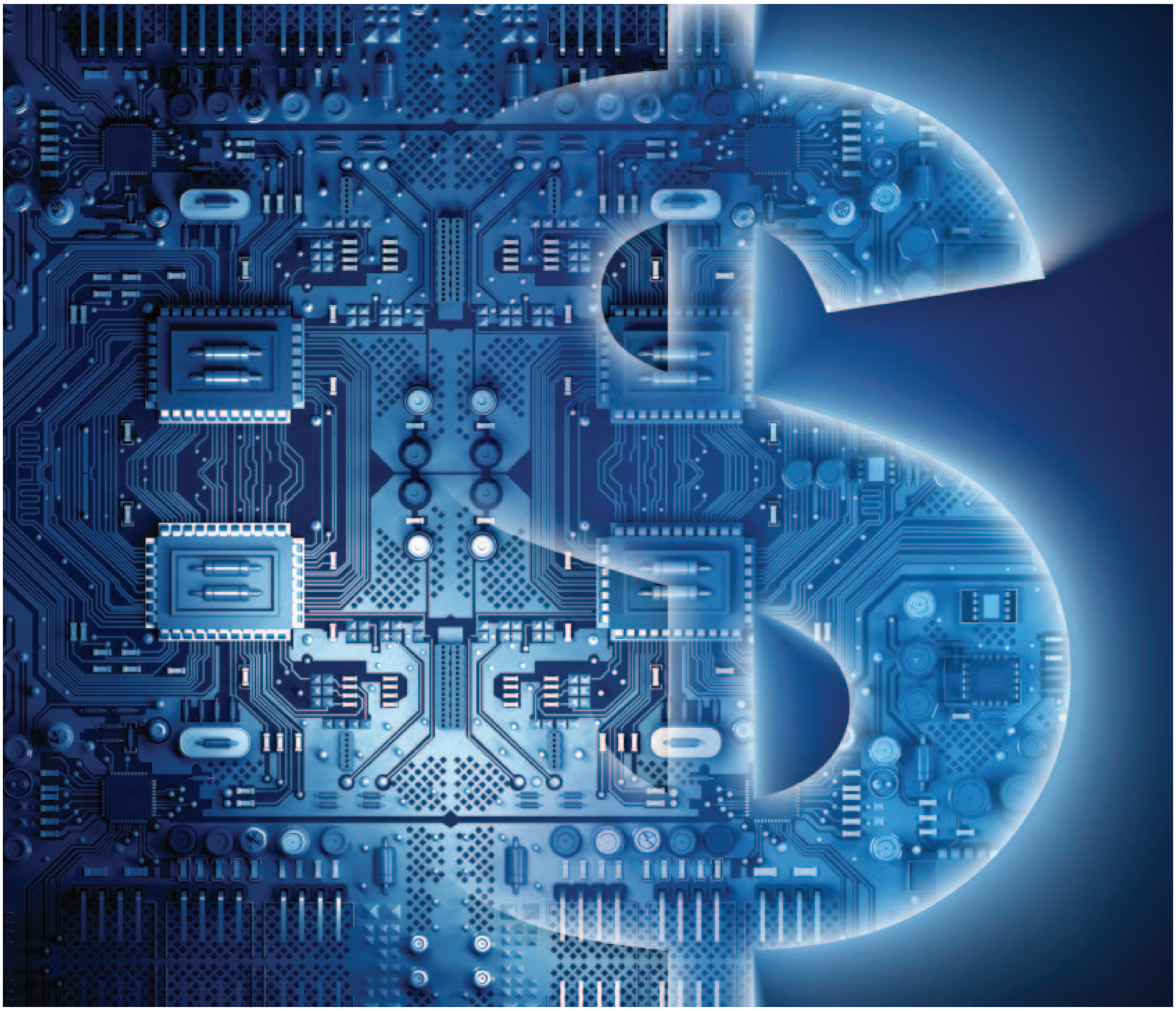
HEALTH & WELLNESS FOR MOBILE WORKFORCES

66% understand the link between well-being, absenteeism & long-term productivity. And yet ...

60% have a partial or no understanding of the medical threats & health & wellness hazards their mobile workforces face.

WHAT COMPANIES DO FOR MOBILE WORKERS

- Set clear emergency procedures for seriously ill or injured employees at work: 75%
- Are ready to respond to a contagious outbreak: 71%
- Provide training & acccess to expert information: 71%
- Protect health data: 67%
- Provide formal guidance to assist with appropriate & tailored health messages: 61%
- Offer a program for return-to-work after illness: 56%
- Offer an employee wellness program: 39%



Next-Gen Expense Management

Could automation & artificial intelligence all but eliminate expense reports & approvals? By JoAnn DeLuna

2016 was the year expense management players got more aggressive, strategic and intelligent. While the sector has unarguably consolidated, that hasn't stopped new players, armed with intuitive technologies and consumer-style interfaces, from launching solutions that could turn into prime acquisition targets for established providers looking to leapfrog competitors.

Last year also continued the shift from submitting expense reports associated with trips or time frames to real-time expense reporting. Increasingly sophisticated data capture through optical character recognition and card integrations have moved this transition along. Machine learning may prove to be the ultimate enabler, however, as systems are configured to identify duplicate charges and to learn to identify outlier transactions. It makes for an increasingly accurate and automated process from data capture through reimbursement.

Most vendors now use OCR and some providers use machine learning technology to scan, auto-fill and categorize expense details, pair receipts with corporate card charges and submit completed expense items to the expense system for reimbursement. Employees have less manual work to dread and are reimbursed quicker. Likewise, corporations get quicker spend visibility.

Even so, true automation requires some nerve on the part of the corporate client, and proficiency varies by provider.

Automation Migration

Abacus began the push to eliminate the expense report in 2013, treating each charge as an individual transaction. That system fills in expense details from a receipt using OCR, geolocation and machine learning to categorize the expense and pair the receipt with a corporate card charge. That same year, Certify launched ReportExecutive, which goes one step further by automatically submitting complete and compliant expenses according to a set schedule. Expensify branded and popularized the term Realtime Expense Reporting after it introduced similar capabilities in 2015. It made RTER its default setting last year. The more receipts/data that go through any of these systems, the more the tools learn how to categorize receipts using machine learning.

The Advisory Board Co. VP of information systems Steven Mandelbaum, who also runs T&E for the firm, has been on the leading edge of this concept. He dropped the company's post-trip expense reporting system in 2015 and moved The Advisory Board to Expense Now, a proprietary expense system in which managers approve transactions. It pulls expenses from the employee's corporate card and pre-populates an email-like inbox. The employee chooses a purpose for each expense from a drop-down menu of meeting dates populated by Salesforce and then submits each expense for reimbursement. On the back end, each manager can see all transactions associated with his or her team and can filter expenses in various ways—including by employee, date or expense type—for approvals.

After nearly 18 months, Mandelbaum said the tool has proven that "expense reports are artificial groups." The change has cut the number of unsubmitted transactions in half. He notes, however, that the tool works not in isolation but in conjunction with a comprehensive travel policy, established procedures and effective corporate card management, among other factors.

According to Expensify CEO David Barrett, adoption of RTER and submission of individual transactions for approval have been "incredibly high" among new clients that never knew anything else. He said "tens of thousands of companies" use RTER. Yet, he also said established clients tend to turn the setting off and revert to reports. Those reports are valuable to the finance department, Barrett said; batching an individual's expenses together, whether monthly or by business trip, reduces the number of reimbursements an accountant must reconcile with the general ledger.

Michelle De Costa likes the idea of transaction-based, automated expense submission. "In theory, I love the concept because it lends to the ease of experience for travelers. Plus, the faster you get in expenses, the faster you can bill out to clients," she said.

Automated expense reports are one thing, but automated expense approvals are a different story for De Costa. She piloted Abukai's automated expense submission when she managed T&E for Sapient. The pilot allowed Sapient travelers to capture receipts using OCR, and the system auto-submitted completed expenses. De Costa said the test run was "pretty successful," but as The Advisory Board did, Sapient stopped short of automating approvals.

In her current role as head of corporate travel for Liberty Mutual Insurance, as well, that would be a step too far. "You need the checks and balances in the middle," she said. She underscored that Liberty Mutual would be wary of systems that bypassed human approval, noting that at the very least, the company would need to implement auditing processes to scour a percent of expenses for fraud or out-of-policy charges.

Rules Engines & Then Artificial Intelligence

Certify president Bob Neveu, though, maintains that automated approvals do not have to be rubber stamps. "There's a big difference between [being able to] flag exceptions, incorrect or fraudulent expenses versus just auto-approval and instant reimbursement. ... No customer is looking for that."

Rules engines can analyze expenses against policy, such as merchants that the company does not allow, and artificial intelligence can go farther to identify expenses that are abnormal for the traveler, job description or kind of trip. Certify and Expensify, for example enable companies to upload their travel policies

Expense Sector Capital Raises & Acquisitions

March 2016
Nexonia acquires ExpenseWatch.

September 2016
American Express Global Business Travel closes its acquisition of KDS.

Captio raises €1 million.

After acquiring Concur in 2014, SAP completes their native integration.

October 2016
Coupa IPO raises $153 million.

November 2016
Deem acquires Olset.

December 2016
Nexonia merges with Tallie.

January 2017
Spendesk raises €2 million.

Coupa acquires Spend360.

and set exceptions for certain employees or scenarios. The systems' rules engines then flag duplicate expenses and those that fall outside policy.

AI then can look across an expense-report-free universe and can view every transaction, comparing it to an individual's history or other employees' histories. Or AI can group transactions by employee, date, merchant type, expense amount or another characteristic to search for irregularities or suspicious patterns. Certify, for example, lets "the robots take over" to review and compare a given company's spend data, including submissions that are in progress, explained a spokesperson. Expensify, meanwhile, aims to combine AI with its Big Data stack to compare expenses to past ones so the system can flag risky or abnormal submissions, such as higher-than-normal spending for a particular employee. Barrett called it "finding the needle in the haystack for you without giving you the haystack."

According to Oversight Systems, which audits expenses on behalf of corporate travel clients, removing manager approval from the process makes it easier to identify the expenses that are not OK. In a January whitepaper, Oversight Systems argued that managers are more concerned with approving reports quickly than with scrutinizing expense submissions for anything other than the most obvious errors or problems. A typical manager, for example, would not pull out previous expense reports to identify patterns of behavior. And after manager approval, the second line of defense against rogue expenses would be an audit team, which reviews just 10 to 20 percent of expense reports.

Oversight Systems accesses its clients' expense data via integrations with expense reporting providers like Concur, Oracle and SAP and then combines machine learning with analytical tools to determine whether an employee submitted the same dinner expense twice, for example, or two employees submitted the same dinner. It additionally detects out-of-policy charges based on keywords, merchants and suspicious patterns. The company claimed its clients cut in half the time and effort it takes to review, audit and resolve expenses.

The key, according to the company, is to review line-item expenses as they come in against policy, company data and external data and to flag them or approve them for reimbursement. Then, the manager can "devote more time to addressing risk instead of searching for it."

Smart Bots & Other AI Applications

Some of the most notable expense acquisitions of late involved companies that have AI capabilities: Coupa acquired Spend360 in January 2017, and Deem acquired Olset in November 2016. American Express Global Business Travel acquired KDS the month prior, though KDS uses AI only on the booking side. The rush suggests a proliferation of upcoming AI-enabled capabilities.

Several expense providers are experimenting with AI bots, more genially known as expense assistants, to communicate with customers and facilitate expense reporting via messaging platforms and voice command.

In February, Concur announced a chatbot pilot with messaging tool Slack that allows mutual clients to request travel itineraries, view expense report summaries, upload receipts and submit quick expenses by typing "@Concur" before each command. Real-time expense reporting software Abacus launched a chatbot with Slack in June, and Abacus updated it in October to allow users to submit expenses, which appear in a Suggested Expense list, within Slack. Also within Slack, users can add details as needed.

Last year, Expensify started using machine learning for customer service through its Concierge engine. Barrett admitted that customer service chatbots can be frustrating because they're typically built with natural-language processing while people chatting online typically use a text message dialect. Barrett said Expensify built its chatbot for a world "where words are always misspelled and there's never any grammar cohesion." If the system still doesn't understand, the question routes to a human—and the system remembers the answer for next time.

Personal assistants like the voice-activated Amazon Alexa and Google Home have become popular in the consumer world, and Coupa general manager of expense Sunny Manivannan believes voice recognition will gain more traction among expense technology providers this year. Coupa launched the capability in 2015 along with Traveldoo, while Oracle Fusion Expenses has had voice capability since 2012.

Meanwhile, AI is helping expense providers as they inch into travel and related functions. The new TravelBank expense app uses AI to predict costs before trips are booked, giving companies and their travelers more flexibility and opportunities for savings, though the app does not provide any shopping or booking capability.

And Expensify plans to use AI to identify multiple employees traveling to the same location so they can organize. The company also aims to use AI for bookkeeping and accounting for companies that don't have those functions internally.

Expense Systems to Watch

"There are a lot of smaller vendors coming out with expense offerings," said Gartner Research director Chris Pang. "You'd think it has become a commodity and big vendors have got a monopoly over the marketplace, but the truth is: There are still a lot of young and innovative providers." Here's a short list.

Expenzing tends to serve large Indian companies and is looking to expand into the Middle East. "Where most vendors have a standard capability set, Expenzing is doing the reverse and asking what people want and building it into the app," Pang said.

Spain-based **Captio** raised a €1 million in September and used the funds to update its product in November. Pay attention to the company's ability to authenticate and stamp receipts in order to comply with local tax regulations in continental Europe.

Spendesk, based in France, raised €2 million in January. While most expense systems integrate travel and expense, Spendesk combines payment and expense management. It provides reloadable MasterCard virtual cards.

U.S.-based **TravelBank** launched in October. It provides trip estimates that a traveler can beat to earn rewards.

An Auditing Tool to Watch

T&E artificial intelligence auditing service **AppZen** rolled out in 2015 and became available on the Concur App Center last summer. CEO Anant Kale has touted the app's ability to identify 10,000 types of alcoholic beverages, and it scours social media to confirm that restaurants actually exist and that guests listed on expense reports are real people. It also compares those names to news reports, in search of criminal activity, and to the U.S. Treasury Department's Office of Foreign Assets Control list of prohibited people.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What Happens When You Cross SMM & SME

SMMP benefits like savings & risk management remain regardless of the company's size.

Left to right: Judy Payne, Rick Wakida & Cheryl Benjamin

Strategic meetings management isn't just for large enterprises. Small and midsize enterprises can benefit from the rigor of formal SMM, though SMEs often have little to no budget to get started. BTN's JoAnn DeLuna spoke with Dart travel services manager Cheryl Benjamin, GameStop director of meetings Judy Payne and Informatica global travel manager Rick Wakida to hear about their motivations and approach to establishing strategic meetings management programs.

Q *How did you determine that your SMEs could benefit from an SMMP?*

Rick Wakida: The procurement organization wanted to gain more visibility and control over meetings spend through contract review and [purchase order] approvals. They hired Marjan Ghaffari [as senior procurement analyst for meetings, events and travel]. She went through the meetings sourcing processes and determined that there was money to be saved and that it would be beneficial to consolidate meetings and put in a formal SMMP.

Cheryl Benjamin: We asked the small group of our sales team if they'd be interested in the service, and the floodgates opened. There's a big interest in [knowing] the liability of who's signing contracts, what they're agreeing to, and making sure the company's best interests are the foremost considerations. I'm not saying those who were sourcing meetings weren't doing that, but SMMP is just taking a different look and understanding how they're being sourced. Then, the cost savings, as well.

Judy Payne: I saw a lot of overlapping meetings that were in the same cities or they had the same attendees going a day or two apart to the same location. If we consolidated our meetings and piggybacked off the location and the contract, I was able to prove that we would have saved a lot each year, so much that I was able to hire another head count to manage the program for me.

Q *As SMEs, what do you want to accomplish with your SMMPs?*

Wakida: The top three things are visibility into the meetings and the data, savings and the cost avoidance. Risk management is another goal: the contracting process and knowing where people are. Where it differs [among travel programs] is in the degree of emphasis or maybe in the ranking of importance, which varies by company culture, industry, size, etc.

Benjamin: We're all looking for the same thing. Our top three are cost savings, making sure that the contracts are reviewed by the legal team so we know what [we're] committing to and then the risk management.

Payne: Risk management, cost savings and taking that responsibility of meeting planning and those contract negotiations away from our field attendees so they can concentrate more on our company sales and goals.

Q *How do you place value on those goals?*

Wakida: Marjan came up with an estimate of 15 to 25 percent in potential savings from consolidating meetings on a global basis. We've added other preferred dining and preferred catering programs that could add a couple percentage [points in savings]. The visibility and the data goals are harder to put a number on. It's more intangible benefits. The risk management process—you're avoiding potentially millions of dollars in liabilities and losses by having a program in place.

Benjamin: We're in the beginning stages, but those intangibles are the things that we know we're going to realize right from the start and we know the cost savings will come. We just haven't put a real number against that yet.

Payne: Our first two to three years, we saw an annual savings of between $50,000 to $100,000 dollars off our program. That was small meetings alone. We were able to get over 90 percent of the contracts to go through my team on the first two years. Now we're seeing 100 percent pickup on all meetings and events.

Benjamin: I took a step back and looked at the process of planning a meeting to identify the time or cost savings of having a formal program, defining what we consider a meeting to be, the number of attendees, a dollar threshold and is there a hotel contract. We're leaning towards [having] a list of [items] that if you answer yes to any of them, then it's considered a meeting that will likely come through us. I saw it as an opportunity because it wasn't even on anyone's radar. As we started talking about this, the support was automatically there and is listed as one of our goals for the year.

> **"We asked the small group of our sales team if they'd be interested in [a strategic meetings management] service, and the floodgates opened."**
>
> **—DART'S CHERYL BENJAMIN**

Illustration by Scott Pollack

Q *Is pursing SMM harder or easier for an SME?*

Wakida: From a resource perspective, it's tougher for the smaller companies that want to do this. However, with the cost-neutral mode [in which commissions from meetings venues are how Informatica pays American Express Meetings & Events for sourcing those venues], there's no out of pocket. It's much easier to get senior management buy-in and support going forward with the program, rather than saying we need X amount in the budget to launch an SMMP.

Benjamin: I agree. It's the resources that have been the biggest issue: finding the time to devote to this and doing the research internally. Getting the buy-in is not an issue.

Payne: It's always just the resources. Buy-in is always easy. Of course, they want to streamline and see the efficiency and the consistencies with the contract. Launching the program is the hardest. Once it gets up and running, it goes a lot smoother than the launch.

Q *What were your first steps in pursuing an SMMP?*

Wakida: The initiative was to hire Marjan to look into this and start collecting data, sourcing meetings, as well as review contracts and approve POs. It was both [grass roots and top-down support]. It started with procurement, then grassroots with the individual stakeholders and then came up to get senior management support.

Payne: The primary starting point was my goal: What was I trying to accomplish with the SMM program? Then I pulled together a task force of different participants who usually book the most meetings to help develop all of our meeting request forms. We really made sure what we wanted was successful from the get-go. We also developed our own intranet site as a one-stop shop for all meetings to pull the forms and easily submit it to a group e-mail address where we could all tackle the requests.

Q *What is the service configuration for your program?*

Wakida: It's a hybrid model. We use a third-party [company] and their technology for sourcing, negotiation services, registration, approval flow and reporting. For the noncommissionable venues, sponsorships and trade show registrations, we work on those in-house. The hybrid/cost-neutral model facilitates scalability. At some point, bandwidth becomes an issue. We needed a scalable solution, and that's provided by having a third-party involved.

Benjamin: Ours will likely be a hybrid. We have one meeting a year that is larger and is managed by the division that puts it on by working with a third party. It works very well, and I would never consider disrupting that. A lot of [meetings] we will manage in-house, but there will certainly be others that will take on a third party.

Payne: My team [of four] manages 100 percent in-house—all site selections, sourcing, contract negotiations and the planning—because we fight more than anybody else for our best interests and for what we want in our contracts.

Q *What kind of data are you looking to collect, and what do you want to do with it?*

Wakida: We're looking to collect [the cities where meetings are being held], venues, types of meetings and events, sponsorships and trade show registrations for sourcing and negotiation to leverage our volumes and also to get a good idea of [the cities] where we're going. We also want the [names of] senior executives attending any of these events for risk management purposes.

Benjamin: We also want to track the venue that was used, the size of the meeting and whether it was a good fit for us, so we can put some preferred [suppliers] out there so when someone starts to plan a meeting, there's going to be a resource of properties that we have used and have had a successful event with a good attendee experience and is within budget.

Payne: We're currently analyzing the data as it comes in every year and trying to decide what really needs to be a meeting and what can just be a Web conversation.

Q *What's your next SMM step?*

Wakida: Rolling the program out on a global basis, region by region, in the later part of the year. We also will continue to integrate it with the individual travel and corporate card programs, as well as the dining and catering programs.

Benjamin: Developing and getting the guidelines approved that we would like to see around the program—things like who has the authority to initiate our contact, what would our meeting services group provide versus what we expect businesses to provide—and defining what the meeting is. I need everything ready for executive approval by the end of October.

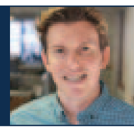
Payne: We're fine-tuning as we get feedback from our field executives. ◾

SME Travel Managers Talk Shop

SETTING STRATEGIC MEETINGS MANAGEMENT PROGRAM GOALS

MEETINGS MANAGEMENT MATURITY

SERVICE CONFIGURATIONS THAT WORK FOR SMES



United Will Launch Buyer/Agent Portal for Self-Service & Reporting

United Airlines has developed a sales portal for both corporate clients and travel management companies that enables customizable reporting and self-processing of waivers and other services that previously required the carrier's intervention.

Set to launch this week, United Jetstream will offer in its first phase real-time reporting on contract performance and forecasts, self-service for penalty waivers for flight operations interrupted by inclement weather and for other uses, and Economy Plus upgrades. Those last two considerations comprise the majority of calls to United call centers, United managing director of worldwide sales resources Karen Catlin said.

The portal also will provide United operational statistics, including monitoring on how well United is meeting its performance commitments, and relevant news, such as waivers that are in effect.

In the second quarter, United plans to add corporate ancillary reports and more self-service options. That second phase also will include an "amenity banking" option, in which values will be assigned to various contract perks—upgrades and MileagePlus status, for example—and buyers will be able to shift their selected perks as their needs change, Catlin said. For example, a buyer who negotiated a certain number of elite status eligibilities for travelers might decide to shift those to upgrades for travelers instead. Currently, changing that requires a call to a sales manager and a contract amendment, but the bank will let buyers do that on their own.

In general, U.S. carriers have been exploring more options for agent and buyer self-service. Delta's Edge tool, for example, included a points-based system for clients to manage soft-dollar benefits and waivers upon its launch in 2014. American Airlines launched Flex Funds through its SalesLink platform in 2015, letting buyers and agents directly access fee waivers.

"United is looking to always be the airline easiest to do business with and be the best for our customers with the most advanced technology," United SVP of worldwide sales Dave Hilfman said. "We've created something that's very contemporary, very intuitive and very powerful."

The portal will replace United's Travel Agency Information Center, which offers information and some reporting for agents but has no transactional capabilities. United does not have a dedicated site for corporate buyers. Combining TMC and corporate services into a single portal is a first among major U.S. airlines, Hilfman said.

Corporate customers provided input for the portal, and several have worked with it in beta since late last year. Allstate enterprise travel director Duane Goucher praised the self-service functionality, saying it would ease the process by reducing calls during irregular operations, when call centers are overloaded. He also looks forward to the reporting capabilities. "Once it's released, we can download what we want in the format of what we want, so we can take some of those metrics to create a report for the CFO or a PowerPoint presentation for finance," Goucher said. "We don't have to take a standard off-the-shelf report and rewrite it."

In future phases, United will add features based on customer feedback, Hilfman said. Support for multiple languages and currencies and a small and midsize enterprise product are among the plans.

Self-Service

The first phase of United's new portal enables travel buyers to:

- Create real-time reporting on contracts
- Develop real-time forecasts
- Self-serve on penalty waivers
- Upgrade to Economy Plus
- Access United operational stats
- Access news like waivers that are in effect

Norwegian's Transatlantic Plans

Norwegian's transatlantic expansion will include 10 new routes with 38 weekly flights between smaller airports in the Northeastern U.S. and Ireland, Northern Ireland and Scotland. The routes come after a years-long attempt by Norwegian Air Shuttle's Irish subsidiary to get permission from the U.S. Department of Transportation to fly to the U.S. The low-cost carrier will use Boeing 737 Max aircraft and has priced its fares as low as £69 on the already competitive transatlantic market.

Norwegian's New Routes

Beginning June 15

- Edinburgh-T.F. Green Airport near Providence, R.I.
- Edinburgh-Bradley International Airport near Hartford
- Edinburgh-Stewart International Airport north of New York City

Beginning July 1

- Belfast-T.F. Green
- Belfast-Stewart
- Cork-T.F. Green
- Shannon-Stewart
- Shannon-T.F. Green
- Dublin-Stewart
- Dublin-T.F. Green

American Airlines Loses Another Executive to United

American Airlines SVP for network, planning, alliances and sales Andrew Nocella has resigned from his position and is now EVP and chief revenue officer for United Airlines.

In a letter to American Airlines employees, president Robert Isom wrote noted "an exceptionally talented group of leaders in place … who already oversee those functions that reported to Andrew," saying American will not replace him. SVP of global sales Alison Taylor, who joined in September and reported to Nocella, will report to SVP of marketing and loyalty Kurt Stache. Isom said Taylor has been producing "great results," and Nocella said in January the carrier was looking to build up its corporate sales force.

"Our sales team has never been in better hands, and aligning this organization with Kurt's team will create increased collaboration between all of our customer loyalty, branding, marketing and sales functions," Isom said in the letter.

In August, American president Scott Kirby left American to take the same role at United.

Marriott Corporate Uptick, Plus More Q4 Results

BY JULIE SICKEL

During the fourth quarter, Marriott International reported a 1 percent year-over-year increase in sales to the legacy company's 300 largest corporate customers. "Sales to these customers were flat in the third quarter," CEO Arne Sorenson said, but during the fourth quarter, while sales to energy and financial industry clients continued to wane, sales to the manufacturing sector picked up 4 percent year over year.

Marriott's earnings call marked the first time since it closed its acquisition of Starwood Hotels & Resorts in September that it reported combined earnings. Fourth-quarter occupancy increased 0.4 percentage points to 69.6 percent and average daily rate grew 0.3 percent to $155.14. For the full year, occupancy rose 0.6 percent to 72.5 percent and ADR increased 1 percent to $156.53.

For 2017, Marriott maintained its previous guidance for North American revenue per available room growth: in the 0 percent to 2 percent range. Eighty percent of negotiated corporate business for 2017 is already priced at a low single-digit rate increase for comparable customers, Sorenson said, but Marriott also is signing up more accounts. Full-year group revenue pace at company-operated, full-service hotels is up about 3 percent year over year.

"Do we feel more optimistic about 2017 than we did a quarter ago? The short answer is yes," Sorenson said. "There is considerable data that shows broad expectations for stronger GDP growth." However, he said, hotel industry metrics and data around group booking and special corporate negotiations don't give "clear enough proof that GDP is in fact growing at a higher rate or that the greater prevailing optimism is impacting our business."

At year-end, Marriott's global development pipeline was 2,493 properties, totaling 420,000 rooms.

Hilton

Hilton has maintained its 2017 guidance—1 percent to 3 percent growth in RevPAR—though an uptick in corporate transient business that began in the fourth quarter and carried into January has made the company's outlook slightly more positive than it was a quarter ago. "It would be hard to say that I don't feel a bit better about our 1 to 3 than I did when we gave it to you last fall," CEO Christopher Nassetta said during an earnings call. "The opportunity to be at the midpoint [of Hilton's guidance] or above would be higher today than it was at that time."

The company has "some green shoots": A solid base of group business is on the books, according to Nassetta, and corporate transient business for 2017 looks good, as group ADR and corporate negotiated rates are up 2 percent to 3 percent versus 2016. Still, he said, there are "a lot of swirling winds out there" that could impact the hotel business in 2017 and beyond.

Hilton's comparable occupancy increased 0.1 percentage points year over year during the fourth quarter to 71 percent. ADR rose 0.7 percent to $140.62. For the full year, occupancy stayed flat at 75 percent while ADR rose 1.9 percent to $143.63. Full-year group RevPAR grew 2 percent to 3 percent, and corporate transient RevPAR grew about 1 percent, according to Nassetta.

In the Americas, group performance drove RevPAR up 5 percent year over year in Canada during the fourth quarter, but Zika concerns in the Caribbean and economic contraction in Brazil dragged down results. Americas occupancy decreased 0.2 percentage points to 70.6 percent, and ADR increased 1.2 percent to $139.74.

In Europe, occupancy grew 1.3 percentage points year over year to 75 percent and ADR rose 0.4 percent to $139.76. In the Middle East and Africa, oversupply, decreased demand and political unrest caused occupancy to fall 2.7 percentage points to 62.5 percent and ADR to drop 1.6 percent to $158.17. Strong demand in China offset Japan's softer group performance in the Asia/Pacific region, where occupancy increased 3.6 percentage points to 73.9 percent but ADR declined 3.4 percent to 146.61.

Hyatt

Hyatt Hotels Corp. reported year-over-year gains in ADR and occupancy during the fourth quarter. ADR increased 0.8 percent to $181.93, and occupancy rose 0.6 percentage points to 71.5 percent. Hyatt saw strength in the corporate and leisure transient segments, but group performance fell 2 percent as a result of calendar shifts for Jewish holidays. For the full year, ADR grew 0.8 percent to $180.74 and occupancy increased 0.8 percentage points to 73.3 percent.

CFO Patrick Grismer said 75 percent of Hyatt's group business is already on the books for 2017 and booking pace for that segment has risen by the low-single digits from this time last year. Increases in corporate negotiated rates are "trending up in the mid-single digits" for 2017, he said. Hyatt's 2017 RevPAR-growth guidance is between 0 percent and 2 percent, on par with Marriott International, but below Hilton's 1 percent to 3 percent range.

Hyatt expects to almost double the portfolio of its select-service Hyatt Centric brand by 2019, expanding to markets like China, Turkey, France, Japan and Australia. The brand had 13 properties in its portfolio at year-end. The company added 59 hotels to its system in 2016.

Choice

Choice Hotels International reported a 5 percent year-over-year increase in RevPAR during the fourth quarter, driven by increases in both ADR, up 2.3 percent to $79.10, and occupancy, up 150 basis points to 57.3 percent. CEO Steve Joyce attributed Choice's performance partly to its predominantly leisure travel business, a segment that industrywide has held up in recent quarters as corporate travel has lagged. For the full year, systemwide ADR grew 3 percent to $82.64, and occupancy increased 50 basis points to 61.7 percent.

Choice is accelerating growth of rooms, particularly of its upscale brands, which include Cambria Hotel & Suites and the soft brand Ascend Hotel Collection. At the end of 2016, the Cambria pipeline was 53 percent larger than at the same time a year prior. Choice's total year-end domestic pipeline of 721 hotels awaiting conversion, under construction or approved for development increased 19 percent year over year.

Combined Marriott-Starwood Portfolio YOY Changes

Q4 OCCUPANCY

Caribbean & Latin America
1% point

Europe
1.2% points

Asia/Pacific
2.8% points

Middle East & Africa
0.5% points

Q4 ADR

Caribbean & Latin America
1%

Europe
flat

Asia/Pacific
3.2%

Middle East & Africa
1.8%

2016 OCCUPANCY

Caribbean & Latin America
flat

Europe
0.1% points

Asia/Pacific
+3.1% points

Middle East & Africa
0.4% points

2016 ADR

Caribbean & Latin America
0.3%

Europe
1.3%

Asia/Pacific
2.5%

Middle East & Africa
4.1%

EDITED BY AMANDA METCALF

IHG & AccorHotels Report Positive 2016 Results Despite Terror & Geopolitics

BY JULIE SICKEL

InterContinental Hotels Group and AccorHotels both reported positive 2016 full-year earnings despite the challenging climate created by terror, economic uncertainty and geopolitical tension.

"We saw multiple terrorist incidents impact travel in Europe," IHG CEO Richard Solomons said to begin the company's earnings call, "as well as two major political events in the U.K. and U.S., the full implications of which are unclear."

During Accor's earnings presentation, chairman and CEO Sebastien Bazin similarly spoke of "things that hadn't been foreseen" when he delivered 2015 results a year ago. He cited a U.K. referendum to leave the EU, President Donald Trump's victory in the U.S. presidential election, turmoil in the Middle East, Brazil's economic crisis and terror attacks in France and Belgium. "The macroeconomic and geopolitical environment [in 2016] was a difficult one to guide the boat through," Bazin said.

Solomons attributed IHG's ability to weather the storm chiefly to the company's "resilient," asset-light model; 2016 marks IHG's first year as a fully asset-light company following IHG's sale of its last owned hotel, the InterContinental Hong Kong.

Bazin, meanwhile, chalked Accor's success up to several deals last year, including its acquisition of FRHI, which added 117 rooms to Accor's system; its buy of Onefinestay; and its investments into other luxury home rental providers.

Revenue per available room at IHG hotels increased 1.7 percent year over year during the fourth quarter, driven by a 1 percent rise in average daily rate to $113.74 and a 0.5 percentage-point increase in occupancy to 66.7 percent. For the full year, ADR rose 1.2 percent to $115.16, while occupancy increased 0.4 percentage points to 69.7 percent.

Accor's systemwide RevPAR climbed 1.3 percent year over year during the fourth quarter, fueled mostly by occupancy, which increased 1 percentage point to 65.6 percent. ADR fell 0.2 percent to €90. For the full year, ADR rose 0.9 percent to €85 and occupancy increased 0.2 percentage points to 67.1 percent.

More on IHG's 2016

IHG's strong presence in oil and gas markets, which underperformed across the hotel industry throughout 2016, continues to have an impact. In the U.S., 14 percent of IHG's room volume is located in such markets, which is higher than the 11 percent for all U.S. hotels, according to CFO Paul Edgecliffe-Johnson. RevPAR for those U.S. markets declined 6.1 percent during the fourth quarter and 7.5 percent for the full year.

Comparatively, fourth-quarter U.S. RevPAR grew 1.3 percent year over year and full-year RevPAR increased 1.8 percent. "In 2017, we expect ongoing elevated levels of new supply in these oil markets to continue to hold back their RevPAR growth," Edgecliffe-Johnson said.

Oil markets also weighed down performance in Asia, the Middle East and Africa. Across that region, RevPAR declined 0.2 percent for the full year. If you remove the outlier—the Middle East, where RevPAR declined 7 percent—the region's RevPAR rose 3.7 percent, according to Edgecliffe-Johnson.

In Europe, RevPAR grew 3.1 percent during the fourth quarter and 1.8 percent for the full year. "Our performance in France, Belgium and Turkey continued to be impacted by security concerns," Edgecliffe-Johnson said. "Excluding those markets, RevPAR in Europe grew 4 percent" for the full year.

IHG added 40,000 rooms to its system in 2016. At the same time, the company followed through on a longer-term commitment to remove lower-quality and underperforming hotels, booting 17,000 rooms from its portfolio last year. The company also signed 76,000 rooms into its pipeline, the most deals in a single year for IHG since 2008. IHG's full-year operating profit grew from $680 million in 2015 to $707 million in 2016.

More on Accor's 2016

While Accor recorded a healthy bump in revenue during the third quarter of 2016, following its acquisition of FRHI, it had only just begun integrating the luxury hotel company into its system. With a few more months passed, Bazin said the integration is going well, "exactly the opposite" of what skeptics had suggested might happen with a merger of such different companies. "We haven't lost a single contract, the talent drain has been nominal and we have signed 20 new management contracts," Bazin said, "more than the company had signed in the last two years, in fact." Between the July transaction close and the end of Accor's fiscal year on Dec. 31, FRHI contributed €310 million in additional revenue.

RevPAR in the Americas declined 2.8 percent year over year during the fourth quarter, driven by a 3.6 percentage-point drop in occupancy. For the full year, however, Americas RevPAR increased 2.4 percent, helped by a 7.2 percentage-point increase in ADR to €108. The company's strong development in the Asia/Pacific region in recent years, driven by a partnership with Huazhu Hotels Group, fueled a 2.7 percent RevPAR increase during the fourth quarter and 4.9 percent RevPAR growth for the full year.

Strength in Eastern Europe, the U.K. and Germany bolstered performance across Northern, Central and Eastern Europe. RevPAR in that combined region increased 3.5 percent year over year during the fourth quarter, driven by both occupancy and rate increases. Full-year RevPAR rose 3.2 percent, fueled mainly by rate growth. In France, fourth-quarter occupancy increased 1.5 percentage points to 61.5 percent, but ADR declined 2.6 percent to €78. For the full year, ADR fell 1 percentage point to €80 and occupancy decreased 1.2 percentage points to 64.3 percent.

In 2016, Accor added 81,000 new rooms across 347 hotels, including those affiliated with the FRHI acquisition. The company's full-year net profit increased 8.1 percent to €266 million. ■

IHG YOY Changes

Q4 OCCUPANCY
0.5% points

Q4 ADR
1%

2016 OCCUPANCY
0.4% points

2016 ADR
1.2%

AccorHotels YOY Changes

Q4 OCCUPANCY
1% point

Q4 ADR
0.2%

2016 OCCUPANCY
0.2% points

2016 ADR
0.9%

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Capita Will Deliver Data-Driven Traveler Wellness Tools

BY AMON COHEN

Top 10 U.K. travel management company Capita Travel & Events is the latest business to explore how travel affects productivity and other human capital challenges for corporations. It is proposing to track and manage traveler well-being, partly by developing communications programs that nudge employees toward smarter trip planning or, better still, finding a travel alternative.

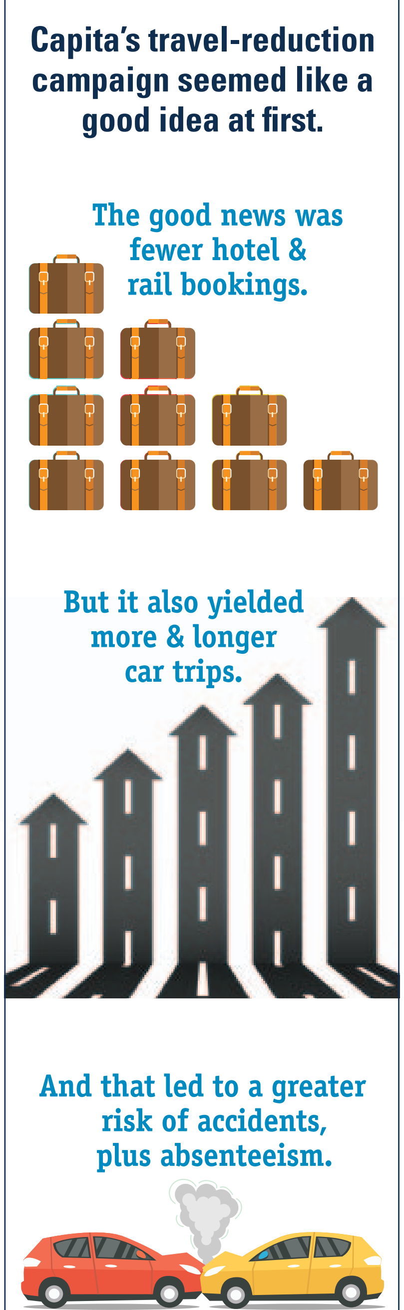
Capita Travel & Events aims to launch the service, named Smarter Working, in September. Chief commercial officer Trevor Elswood is helming the strategy after spending a year developing the concept with other subsidiaries of parent group Capita, the business process management and support services specialist that is one of the U.K.'s largest private sector employers. One of those subsidiaries, a Big Data analytics specialist, evaluated data from approximately 27,000 business travelers at Capita and other companies. The analysis showed 27 percent more sick days for employees who annually spent 50 days or more traveling on business. At Capita specifically, the analysis found significant underutilization of virtual conferencing facilities and revealed that a "no travel" campaign reduced Capita's domestic rail and hotel bookings but caused unwelcome spikes in day trips by car.

With that data, Elswood collaborated with two more Capita subsidiaries, one specializing in gamification and the other in changing behavior through e-learning, to build a client communications program. "We looked to see what we could translate into the world of corporate travel," said Elswood. "If you applied Big Data to travel, where would it take you? We wanted to see how travelers behave, and how the power of understanding your audience and modifying language can create better communications to nudge people to do the right thing."

Acting on Big Data

Elswood and his Big Data colleagues started by matching T&E management information with videoconferencing-usage reports and employee data like age, gender, length of service and number of sick days. They threw in fleet data like employee vehicle mileage and insurance accident reports and external information like weather records and even crime data. Then they added qualitative research by interviewing travelers.

Elswood discovered that lack of coordination between internal travel management, HR and facilities management within Capita led to the underuse of virtual conferencing: 11 percent of travel between internal sites where virtual conferencing was available was found to be replaceable. Barriers included lack of education about how the technology worked and poor calendar management. Capita addressed these issues with improved scheduling, training videos and the widespread installation of Skype for Business to supplement heavy-duty facilities.



Analysis of the travel-reduction campaign also proved an eye-opener. Not only did car usage rise 5 percent above normal during the month of the campaign, but the car journeys also were longer as employees racked up mileage to avoid hotel bookings. Absenteeism rose in consequence, and there was an increased risk of accidents—bad for employees and bad for insurance premiums at a company where the average employee spends 9.2 days per year driving on company business.

That amounted to 1.9 million hours of driving hours in 2015, and Capita has started to think about how it could reduce that figure, either through more virtual conferencing or a shift further to rail, especially for higher-salaried employees who can work on the train. Weather data was scrutinized to see whether moving employees onto trains, especially in winter months, would reduce insurance premiums. "You start to think about traveler policy instead of travel policy," said Elswood.

The biggest wake-up call in Elswood's research was the 27 percent higher absenteeism rate among the most frequent travelers, which cost Capita £2.3 million per year. Once again, a deeper data dive provided more specific insight: Absenteeism is highest among international travelers and those who make frequent early morning departures. By identifying travelers who fit this profile, "we can forecast that if they carry on like this, they are likely to be unwell soon," said Elswood. Capita has started sending alerts to travelers but also copying in their line managers and the HR department.

Elswood's next mission was to analyze employee data to understand behavior by demographic. He found that infrequent travelers spend less prudently on travel, whereas frequent travelers understand how to buy smarter, booking more than 14 days in advance, for example. On the other hand, longer-serving employees are more likely to test policy rules, whereas newer ones are more compliant.

The project developed targeted corrective messages for each group. Elswood's communications colleagues, for example, recommended subtly different messages for men and for women, generally appealing to the competitive instincts of the former and to the "group good" impulses of the latter.

Launching to Clients

Come September, Capita Travel & Events customers will have access to educational videos and what Elswood dubbed an "intelligent communications hub" that delivers tailored messages. An example: "All of your colleagues are saving money by doing split ticketing on rail journeys." The message, he said, would explain how to book split tickets and how much could be saved.

The links between HR and travel have attracted increased attention in recent years, including traveler friction benchmarks offered by Scott Gillespie's tClara consultancy and a travel stress index devised by Carlson Wagonlit Travel. Demonstrating these links is one thing; persuading clients to act on traveler wellness—not to mention paying a travel company to help—is another.

Elswood said Capita will not charge extra fees for the Smarter Working program. "We see this as an essential part of the way we will do business in future," he said. Elswood also believes senior executives are becoming more receptive to how travel challenges productivity, claiming, "I've not had one conversation with a CEO, CFO or COO where they haven't said, 'Yes, we want you to come back.'"

Chauffeured Car Apps Side by Side

The January acquisition of GroundLink by Marcou Transportation Group portends dramatic changes to the on-demand chauffeured car market. GroundLink, like Blacklane, lets users order chauffeured cars through an app. Pairing GroundLink with the tens of thousands of vehicles in MTG's network may prod further development of such on-demand technology but also will impact MTG's competition with Carey International.

	 GroundLink	 Blacklane	 Carey Mobile App
Background/ Business Model	Its first iOS app launched in 2011. Drivers connect as contractors.	Privately held, it launched in Germany in 2012 and in the U.S. in 2013. Chauffeured companies and independent drivers pick up routes booked by Blacklane.	Launched in 2014 by one of the largest multinational chauffeured car providers, it was, until last month, the only one of these three apps owned by a full-service ground transportation company.
Geographic Reach	"Everywhere in the United States" and in 110 other countries	More than 250 cities in more than 50 countries	More than 1,000 cities worldwide
Fleet	Economy sedans, higher-end sedans, SUVs and vans	Sedans and, in some locations, vans, SUVs and high-end sedans	Sedans and SUVs younger than three model years old and vans younger than five
Advance Booking Window	30 minutes to 4 hours (longer in some international markets); 10-minute service available in New York and Chicago	One hour	One hour
Cancellation Policy	The fee for cancellations after the specified time generally is the full base fare, up to $100, plus charges like wait time and tolls. There is no fee for cancellations before the specified time. Specified lead times: 90 minutes to two hours in most U.S. cities; 30 minutes in Manhattan and in Chicago's Loop; one hour in New York City's outer boroughs, in Chicago's suburbs and for trips to Midway; five minutes for on-demand service in New York & Chicago; and 12 hours outside the U.S.	There is no fee for cancellations made more than an hour before pickup. One-way trips will cost the price of the trip if canceled less than an hour in advance, while hourly service will cost the price of the trip if canceled less than 24 hours in advance.	The cancellation fee after the designated lead time, which is noted on the reservation confirmation, is $75 in the U.S., Canada and Puerto Rico. Elsewhere, cancellations after the designated times will incur a fee "equal to the applicable base transfer rate plus local VAT where applicable."
Driver Tracking	Users can track the vehicle as it nears the pickup.	Users receive texts when the vehicle is on its way and when it has arrived.	The driver's location and identity appear 15 minutes before pickup.
How Long Drivers Will Wait All three apps monitor flight status and note delays for airport pickups.	Users can set airport pickups for as long as two hours after the flight arrives. Otherwise, the service waits 30 minutes for domestic flights and one hour for international flights.	It allows 15 minutes for standard pickups and one hour for airport pickups.	It does not charge for waiting for commercial flights unless the traveler changes the pickup location, in which case passengers get 20 minutes after the scheduled pickup time, the same allotted for non-airport pickups.

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