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# BTN

BUSINESS TRAVEL NEWS



## BTN'S 2017 MULTINATIONAL TRAVEL MANAGER OF THE YEAR

Four years ago, Daimler head of travel management Bernd Burkhardt, pictured at the BTN Group's New York conference on Dec. 4, gathered supplier partners to discuss his vision to simplify trip planning, booking, payment and expense to a three-click process for the traveler, built upon delivery of a single, best booking package option. Today, Daimler travelers confirm their trip parameters, approve the booking and later approve the centrally paid expenses. Read how Burkhardt enacted his vision across a global program, and why he thinks more companies need to take the leap.

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## TOP STORY

BTN'S 25 MOST INFLUENTIAL 2017

## The People Who Changed Business Travel in 2017

Some people see change coming and jump on an early bandwagon, as did Oni Chukwu of meetings tech platform Etouches with data protection. Some make change happen via government, such as General Data Protection Regulation godfather Jan Philipp Albrecht and U.S. travel ban designer Donald Trump. Some challenge the status quo like Certify's Bob Neveu, whose company has become the closest thing to a challenger Concur's got. Some, like Uber CEO Travis Kalanick, demonstrate negative leadership, leaving minefields for new leaders to diffuse. Others play unwitting roles that nevertheless create change for the better; take airline passenger David Dao. Read up on the 25 people who wielded the most influence on corporate managed travel in 2017.

FULL STORY ON PAGE 8

## The Final European Payment Security Rules

BY AMON COHEN

The European Commission has exempted corporate payments from its finalized requirements for payment security authentication. In so doing, the commission resisted vehement opposition from the European Banking Authority. Travel and payment representatives, though, had campaigned hard to keep the exemption. Without it, they said, lodge cards in particular would have become unworkable. "This is a success resulting from industry lobbying," said AirPlus International CEO Patrick Diemer.

The European Union's Revised Payment Services Directive, or PSD2, is introducing strong customer authentication (see sidebar on page 28) for payments, but the European Commission's finalized requirements effectively exempt lodge, virtual and corporate pay cards from SCA.

The news will come as a particular

relief to Nordic travel buyers. The region's four travel management associations estimate 95 percent to 97 percent of the air bookings their members make through travel management companies are settled via lodge cards. Finnish Business Travel Association managing director Sari Viljamaa said: "It's good news this won't be extended to B2B transactions, but I am still a little worried that there will be room for national legislators to make their own interpretations."

However, individual pay cards, which have been treated as consumer cards since the EU Interchange Fee Regulation took effect in 2015, are effectively excluded from the exemption. "Lodge cards, virtual cards and corporate cards with corporate pay are fine, but SCA

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- Airbnb acquires disability-friendly Accomable

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Delta CEO Ed Bastian on the carrier's relationship with Air France-KLM, which is based on co-ownership rather than just contracts

"We ... are 10 percent owners of the Air France-KLM group and are inside ... their boardroom, which is a big part of what we're doing here: trying to build foundational relationships for customers."

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### Travel Risk Management Evolution

THE BIGGEST REASONS DECISION MAKERS CHANGED TRAVELERS' ITINERARIES THIS YEAR

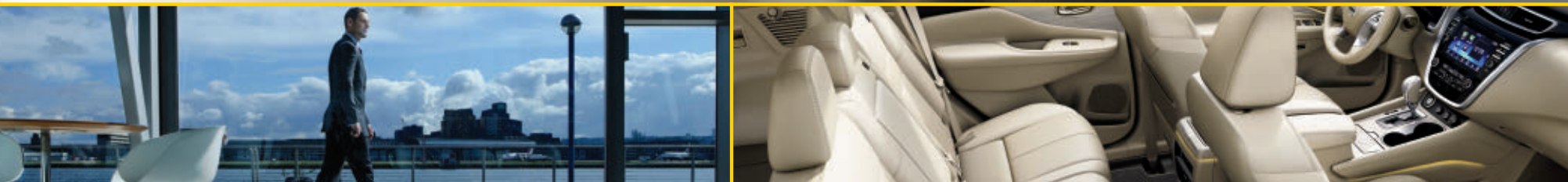
SECURITY THREATS

58%

NATURAL DISASTERS

43%

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**Hertz**



## Airbnb Adoption Appears to Be Slowing

BY JULIE SICKEL

New research from Morgan Stanley suggests the pace of growth of Airbnb use is slowing in the U.S. and Europe. In its third annual Alpha-Wise survey, the firm found that the share of travelers who used Airbnb during the past 12 months rose to 25 percent, an increase of 300 basis points, which is lower than the prior year's growth of 800 basis points.

Morgan Stanley attributes the tempered growth to a plateau in awareness of Airbnb. Among online consumers across the U.S., the U.K., Germany and France, it's 80 percent, and the 800-basis-point year-over-year growth in awareness is significantly lower than the 2,000-basis-point spike noted in 2016. "Awareness-driven adoption can only go so far among this demographic in these countries," the report stated. Morgan Stanley found that the slowing growth applies to both leisure and business travelers. The firm had expected business travel adoption to increase from 18 percent in 2016 to 23 percent in 2017. Instead it grew to only 20 percent.

At the same time, worries about Airbnb guests' safety and security are on the rise; the number of people concerned about such issues rose from 10 percent in 2016 to 25 percent in 2017. Additionally, the percent of non-Airbnb users who cited concerns about privacy grew to 36 percent, up 700 basis points, and non-users who are worried about security grew to 13 percent, up 400 basis points. "This is surprising and potentially troubling for Airbnb's growth," the report stated. "Typically, consumers become more comfortable with emerging technologies as awareness/testing/adoption grow. This doesn't appear to be happening for Airbnb."

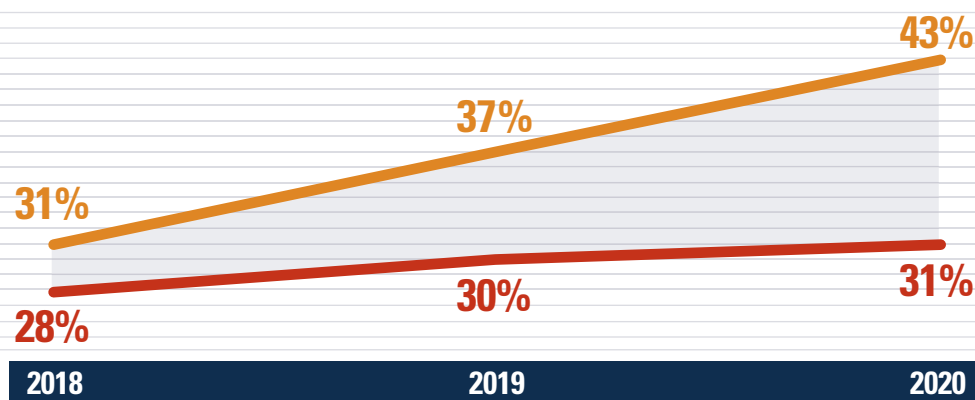
Morgan Stanley has revised its forecast for user adoption down from 31 percent to 28 percent for 2018, from 37 percent to 30 percent for 2019 and from 43 percent to 31 percent for 2020. These results could prove to be a boon for the hotel industry, which has seen weaker pricing power during the current cycle than in other historical periods. A previous Morgan Stanley report suggested Airbnb was to blame for fewer compression nights at hotels in 2016.

However, the report also suggests that online travel agencies will be the real winners in all this: "If anything, we see the OTAs' strong use trends, paid search/traffic acquisition expertise and improving inventory offering (more alternative accommodations) becoming a growing threat to Airbnb, as the OTAs, in our view, are better positioned to act as the online travel one-stop shop."

The report—titled Surprising Airbnb Adoption Slowdown in US/EU, and What It Means for Hotels and OTAs—is based on a survey of approximately 4,000 U.S. and European consumers 18 and older, conducted from October 2016 to November 2017. ■

### Morgan Stanley Foresees Airbnb User Adoption Plateau

■ Previous Forecast  
■ Revised Forecast



Source: Morgan Stanley report titled Surprising Airbnb Adoption Slowdown in US/EU, and What It Means for Hotels and OTAs

## Airbnb Buys Disability-Friendly Accomable

BY JULIE SICKEL

Airbnb has acquired Accomable, a London-based startup that uses a similar model as Airbnb but features listings that specifically accommodate those with disabilities. Airbnb did not disclose the financial terms of the deal.

Founded in 2015 by Srin Madipalli and Martyn Sibley, friends who have spinal muscular atrophy, the startup raised \$440,000 in seed funding and operates in more than 60 countries. The Accomable website will wind down over the coming months, according to Airbnb, and its listings will be incorpo-

rated into the Airbnb platform.

Madipalli, who was Accomable CEO, and his team also will lead an Airbnb push already underway to make listings and the Airbnb digital platforms more disability friendly. "Previously, travelers with disabilities could only search for homes that were labeled as 'wheelchair accessible' when they were searching for an accessible place to stay," Airbnb stated on its blog. "Guests weren't getting the information they needed to find the right homes nor the confidence that the home they selected would actually be accessible for them."

Airbnb has built an "accessibility needs" checklist for its hosts that allows them to indicate whether their listings include such features as a step-free entry to rooms or wide-enough entryways to facilitate wheelchair access. Guests can search Airbnb's website based on accessibility criteria, and that search capability will go live on Apple iOS and Android during the next few months.

In addition to refining that effort, Madipalli wrote on the Accomable website that his team will work with Airbnb to ensure that properties can accommodate "as wide a variety of disabilities as possible," not just mobility-based disabilities. He also will assist the company's diversity and belonging team to ensure Airbnb is a positive place to work for those with disabilities. ■



**IN MEMORIAM** Former Global Business Travel Association president Jim McMullan died Nov. 21, 2017. A much admired corporate travel management practitioner and friend to the industry, Business Travel News would like to acknowledge his passing. He will be missed.

# Delta's Priorities for 2018

Delta has navigated a flurry of activity this year in building global alliances and joint business ventures, including significant investments in several of its international partners, earning Delta CEO Ed Bastian a spot on BTN's 2017 25 Most Influential list (see page 10). He spoke with BTN transportation editor Michael B. Baker.

## WHAT'S THE UPDATE ON YOUR ALLIANCE STRATEGY?

In Europe, we're well established with Air France-KLM and Virgin Atlantic, and we're working hard to try to harmonize the two JVs to a single JV. That will be one of the things we will accomplish in 2018. We closed the transaction and now are 10 percent owners of the Air France-KLM group and are inside the company and their boardroom, which is a big part of what we're doing here: trying to build foundational relationships for customers. We're not doing it as airline investors. We're doing it to have the greatest impact and influence for our customers as they travel internationally. While commercial relationships or contracts are a great start, the real value, the real alignment and the real investment decisions need to be occurring as owners with similar outcomes.

In Latin America, with Aeromexico, we closed that in 2017, as well. We feel great about what we're building for the future. It's a unique type of JV. It's the narrowbody, and we share the same continent. It's more like a U.S. domestic relationship than a classic international relationship. We currently have more than 100 people we share between our two entities, people working in Mexico City or their people working here in Atlanta.

In Brazil, with Gol, we've seen a nice turn in the market, as well as the economy. 2018 will be hopefully a year of strong growth. It's a market with great potential, and we have a wonderful partner. Gol is doing very well in Brazil. They are the market leaders in the domestic market, and I anticipate we'll have some development there in the new year to speak to at the right time.

In Asia, we're making a lot of changes on our network, bringing our latest technology, the Airbus A350, to Asia, which is an important step in that region. We have a renewed partnership with Korean, where we have gotten [U.S. Department of Transportation] consent, and we're working with the Korean authorities to receive the same support ... in 2018. It will be the largest transpac JV and relationship in the industry.

## DELTA HAS ANNOUNCED A JOINT BUSINESS AGREEMENT WITH CANADA'S WESTJET. ARE THERE OTHER HOLES IN THE NETWORK YOU'RE LOOKING TO FILL?

There are always a couple of things to work out, but we have our main partnerships and territories covered at this point. We'd like to have a better long-term solution for India. We started working much closer together with Jet [Airways], and our partners with Air France-KLM have announced a closer relationship, which will help us [on] transatlantic [routes], as well.



### Delta CEO Ed Bastian talks:

- Delta's broadening alliance strategy
- The "airport experience of the future"
- Free inflight Wi-Fi

**"We have a treasure trove of information about our customers. Unfortunately, it sits across many databases and applications."**

### Read more of Bastian's Q&A at [www.businesstravelnews.com/BastianPriorities](http://www.businesstravelnews.com/BastianPriorities)

- Delta's win on BTN's Airline Survey
- Operations performance
- Distribution strategy
- Gulf carriers & Open Skies

## VIRGIN ATLANTIC ALSO HAS MOVED TO YOUR RESERVATIONS SYSTEM. WILL WE SEE MORE MOVEMENT LIKE THAT FROM YOUR OTHER PARTNERS?

Yes, there will be. We're continuing to improve the technology platform here at Delta. Virgin Atlantic—the implementation went well, but it was the first stage and there's a lot more to come, which we're working closely with them to develop. Based on the success of that, we'll have other partners interested, as well.

## WHAT'S YOUR OUTLOOK FOR 2018, AND WHAT WILL DELTA'S PRIORITIES BE IN THE NEW YEAR?

2017 will be our strongest traffic and passenger count in our history, which we're quite proud of. It's something we're seeing across all our regions, not just in the U.S. On transatlantic routes, we're very impressed with how things have rebounded and recovered. The priorities for 2018 might sound a little boring, but it's doing it the same but even better. The operational performance will be a hallmark of ours, and we have continued investments in that, [including] enhancements to our baggage services.

There's a lot of work in the airport department in 2018. We have many investments going on across our airports: LaGuardia, Los Angeles, Seattle, Salt Lake City and here in Atlanta. Many of our big hubs in our network are undergoing a significant amount of spend, and we're building an airport experience of the future for our customers. We want to utilize not just technology that we know but what we see on the horizon, biometrics being a big part of that to enable better screening and more effective and efficient queues and wait times, shortening those through the airport. We're investing in better technology at gates to enhance the boarding process.

We have a lot of work going on in the international space in 2018. The other thing is our visual applications. One of the most important projects we have for the company moving forward is the development of what we call a single view of the customer. We have a treasure trove of information about our customers. Unfortunately, it sits across many databases and applications, and we can't utilize them to the benefit of being able to service our customers in the most effective way at all times. We have big infrastructure and technology architecture work going on to unify our data sources and be able to give our agents and flight attendants and the people handling the sales agreements an account on a personal level so we understand our travelers, their history, our experience with them, what their expectations are and how we can more closely and better personalize their relationship with Delta.

## YOU'VE MENTIONED ELSEWHERE THAT YOU EXPECT INFLIGHT WI-FI WILL BE FREE SOMETIME DOWN THE ROAD. ARE WE ANYWHERE NEAR THAT?

We need to improve the quality of it before we can talk about making it free. We're investing in satellite technology. Gogo is actively turning on more and more 2Ku satellite technology on our planes, and we're working hard on the certification process and the implementation. The majority of our mainline fleet will be satellite based in the first half of 2018. There are still quality issues that we're working aggressively with Gogo to potentially enable our customers onboard to have the same bandwidth and speed and service level in the sky as on the ground, and once we get there, then we have to discuss the affordability. Where in the world do people pay for Wi-Fi any longer? That's got to go away, as well, so we'll be working on improving the price point, as well, as we move forward. ■

# DESTINATION NEXT IS SHOWING APPRECIATION WHERE IT'S DUE.

Delta earned the top rating for an unprecedented 7<sup>th</sup> time in the annual BTN airline survey, and it's you we have to thank for it.

Shaping the future of business travel wouldn't be possible without listening to our trusted corporate travel partners for inspiration. We look forward to your partnership as we prepare for a successful 2018.

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## Travel Risk Management Changes in 2017

Security threats and natural disasters were the biggest reasons decision makers modified travelers' itineraries this year, according to a global survey by ISOS and Ipsos Mori. Why? "The immediate obvious risks, such as the recent hurricanes and unforeseeable security incidents, will see organizations scrutinized in terms of preventative measures and recovery," said ISOS security expert Rob Walker. More findings from the survey:

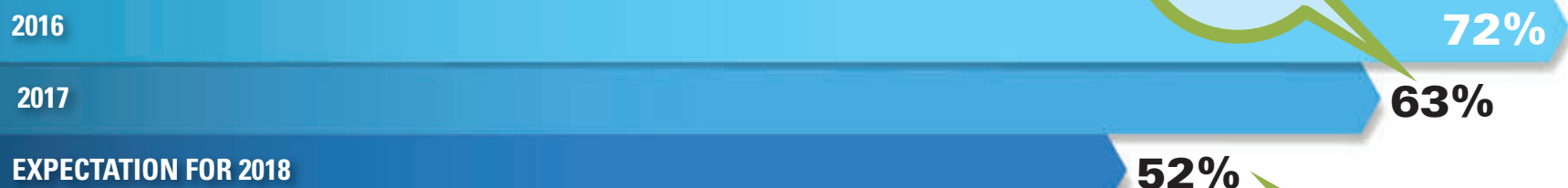
### THE BIGGEST REASONS DECISION MAKERS CHANGED TRAVELERS' ITINERARIES THIS YEAR



### OTHER WAYS COMPANIES HANDLED TRAVEL RISK IN 2017



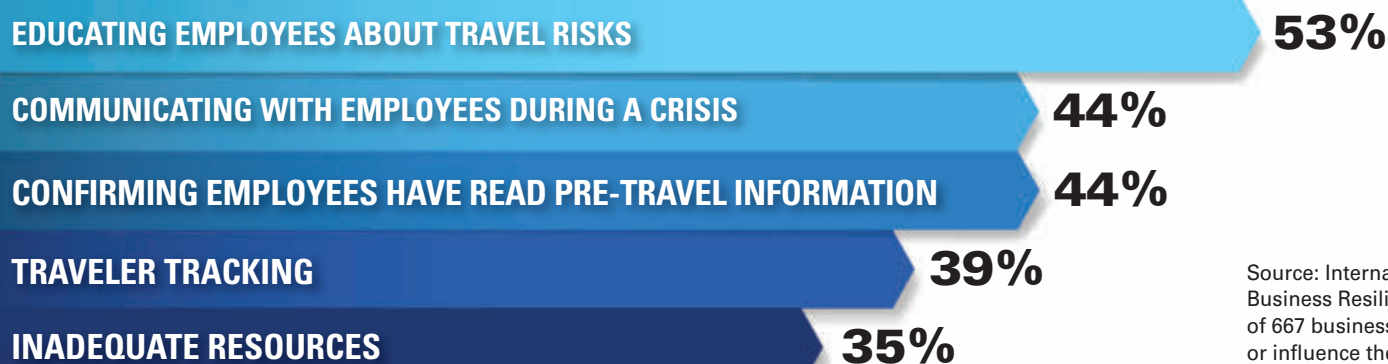
### FEWER DECISION MAKERS THINK RISK IS ON THE RISE



Among U.S.- & Canada-based decision makers, it's 78%.

Again, the number is higher among those based in the U.S. & Canada: 63%.

### CHALLENGES IN KEEPING PEOPLE HEALTHY & SECURE



Source: International SOS & Ipsos Mori's Global Business Resilience Trends Watch 2018 survey of 667 business decision makers who manage or influence their organizations' travel and risk mitigation policies, conducted in October 2017

# Happy Holidays

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# BTN'S 25 MOST INFLUENTIAL 2017



## Godfather of GDPR

MEMBER OF EUROPEAN PARLIAMENT

### JAN PHILIPP ALBRECHT

The European Union's General Data Protection Regulation does not take effect until May 25. But many a travel buyer and supplier, both inside and outside the EU, was preoccupied in 2017 with assuring the significantly

strengthened data privacy rights it enshrines for customers, employees and all other individuals.

Issues particularly pertinent to travel managers include giving travelers who are EU citizens the potential to know who holds their personal data and why and figuring out whether they need to obtain traveler consent for the treatment of their data. Suppliers need to be more diligent in their data protection and much prompter about reporting breaches; the scandal in which Uber took 13 months to reveal a hack of 57 million customer records was only the latest reminder. Under GDPR, companies can be fined up to 4 percent of global turnover for violations, a threat concentrating the minds of those who may have overlooked this issue in the past.

According to International Association of Privacy Professionals European managing director Paul Jordan, the "godfather of GDPR" is Jan Philipp Albrecht. The Green Party Member of European Parliament, a German citizen who looks even younger than his tender 35 years, shepherded the legislation through as vice chair for the parliament's Committee on Civil Liberties, Justice and Home Affairs. "Albrecht was responsible for getting GDPR past the post. He drove a lot of the argumentation," said Jordan.

Albrecht, a law graduate, also has been a persistent critic of Safe Harbor and its successor, Privacy Shield, frameworks that aim to transfer personal data from the EU to align with Europe's stricter data protection standards. The dominance of U.S.-based service providers makes this a deeply important issue to global corporate travel, and one expected to resurface in 2018.

Meanwhile, preparations for GDPR continue. In line with one of the regulation's obligations, larger travel companies rushed to appoint data privacy officers in 2017, and a travel industry GDPR code of conduct is afoot.

—Amon Cohen

**Many a travel buyer and supplier was preoccupied in 2017 with the General Data Protection Regulation and the data privacy rights it will enshrine.**



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## The Partner

DELTA AIR LINES CEO  
**ED BASTIAN**

As all three U.S. legacy carriers have tightened up their relationships with key global carriers in recent years, Delta, under the leadership of CEO Ed Bastian, is investing billions of dollars to strengthen its voice in its partnerships.

The relationship with Air France-KLM is the granddaddy of Delta's global alliance strategy, dating back to the Northwest Airlines and KLM joint venture forged in 1993. And this year, Delta upped that game with a 375 million-euro investment to acquire a 10 percent stake in Air France-KLM, also gaining a seat on its board of directors. Simultaneously, Air France-KLM announced a 31 percent stake in Virgin Atlantic—Delta already had a 49 percent stake in the carrier—as the carriers began combining their partnerships into a single, transatlantic, mega JV, which Bastian projects will be completed in 2018.

This year, Delta also acquired nearly a third of Aeromexico's shares to bump its stake in that airline up to 36.2 percent; it has options to increase its share further. Delta began a new JV with Aeromexico this year, as well.

In all, Delta has invested about \$2 billion over the past five years in partner carriers, which also include China Eastern and Brazil's Gol. "We're not doing it as airline investors," Bastian told BTN. "We're doing it to have the greatest impact and influence for our customers as they travel internationally. We found that while commercial relationships or contracts are a great start, the real value, the real alignment and the real investment decisions need to be occurring as owners with similar outcomes."

Delta firmed up other partnerships this year, as well, including a new one with Korean Air that Bastian said will be the industry's largest transpacific JV. The U.S. Department of Transportation has given its consent to that deal, and Bastian expects the Korean authorities will sign off sometime next year. And just this month, Delta announced a joint business agreement with Canadian carrier WestJet, bringing its total number of partnerships to eight.

—Michael B. Baker

## Hotel Company Shapeshifter

ACCORHOTELS CHAIRMAN & CEO  
**SEBASTIEN BAZIN**

Typically, one major acquisition can land an executive of that company on BTN's Most Influential list. But AccorHotels chairman and CEO Sebastien Bazin has multiple buys under his belt for 2017 as the organization continues to shift the picture of a what a lodging company can look like.

In October, it agreed to purchase France-based business travel solutions and distribution company Gekko Group to broaden Accor's service offerings to business travelers. Gekko serves more than 300 corporate customers and 14,000 travel agencies via subsidiaries including HCorpo, Teldar Travel, Teldar Travel Biz, Infinite Hotel and Miles Attack. Its search and reservations solutions are connected to more than 500,000 hotels globally.

Also in October, Accor agreed to acquire Australia's Mantra Group and its more than 20,000 rooms in Australia, New Zealand and Indonesia. The deal will make Accor the largest hotelier in Australia and give it a greater foothold to capture the country's growing inbound tourism demand, particularly from China. Accor expects the deal will close in the first quarter of 2018.

Earlier this year, the company built on last year's acquisition of Onefinestay—which in concert with Accor's FRHI buy helped land Bazin on BTN's 2016 Most Influential—to purchase Travel Keys, an Atlanta-based company that brokers rentals of private vacation homes. Accor also fully acquired Squarebreak, a Paris-based vacation rental platform in which it had previously held a 49 percent stake. Accor has rolled those two brands under the Onefinestay brand, which now has more than 10,000 properties as of the third quarter. "We need to diversify outside of hotels," Bazin said in February. "We will continue to work in hotels for the next 50 years as we have over the last 50 years. ... What about when some people want more than just a hotel room?"

Accor remains active in other areas. It acquired channel management solution Availpro to combine with the previously acquired Fastbooking. It is partnering with SNCF to develop the Orient Express brand. It entered a joint venture with Bouygues Immobilier to grow its Nextdoor collaborative workspace platform, similar to WeWork. It acquired VeryChic, which offers discount sales of luxury and upscale hotel rooms on a member-based platform. It's working with Edmond de Rothschild Investment Partners to acquire events company Potel & Chabot Group. It is turning over its customer care to concierge service provider John Paul, which it purchased last year, and leveraged John Paul's expertise to launch hotel-provided neighborhood services known as AccorLocal.

—Julie SICKEL

**"What about when some people want more than just a hotel room?"**





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## The Simplifier

GROUPIZE CEO

### CHARLES DE GASPE BEAUBIEN

The pursuit of small meetings management historically has cooled in the face of technical constraints. Access to live meetings inventory is a challenge, as has connecting, or separating, travel costs, venue, equipment and food and beverage costs. Formal meetings management technologies like Cvent and Etouches seem like overkill for small, ad hoc meetings. Yet allowing multitudes of meetings to go unmanaged is not the answer. Small meetings need a lighter-weight, more intuitive solution with enough complexity under the hood to be effective. Like Groupize.

"We've built a lot of technology," said CEO

Charles de Gaspe Beaubien. Yet the Groupize interface is deceptively simple. There are certain things it can't do, such as book live meeting space inventory, but plenty of things it can do. It serves content via the global distribution system with corporate preferred rates. The tool allows organizers instantly to book via the GDS as many as nine sleeping rooms for group or project travel. If meeting space is

needed, Groupize reverts to a simplified email-based sourcing process that logs all communications in the tool.

There are other small meetings tools in the market, but de Gaspe Beaubien has broken from the pack not only with good technology but also via a tight integration with Concur Travel that pulls profile information into Groupize and sends information back to Concur for reporting. It also facilitates an easy pass from registration to travel booking and tracks the details. "We built Groupize to integrate with Concur," he told BTN in February, because he knew the Concur Meetings technology would be pulled out of the market in January 2018. That gave Groupize a pipeline to direct corporate customers who need a logical solution. De Gaspe Beaubien also has forged relationships with more than two dozen travel management companies, and Groupize serves as a white-label solution for several that resell the product under their own names.

—Elizabeth West



## Man with a Meetings Tech Plan

ETOUCHES PRESIDENT & CEO

### ONI CHUKWU



"People who have been in the meetings industry for 20 years say there's been more change in the last three years than in the 17 years before that," Etouches president & CEO Oni Chukwu said. Disparate technologies have come together quickly in the past year. DoubleDutch, for example, has pivoted from an isolated mobile app to pursue end-to-end meetings management; Event Tech Tribe entered the scene as an integrated "collective." For his part, Chukwu saw

the writing on the wall when he joined Etouches four years ago: "There was a clear need for a thoughtful platform. ... It was a clear, mapped-out strategy."

In the past 18 months, Etouches debuted an Event ROI analytics platform that not only collects and crunches data but also helps define pertinent metrics. The company acquired and integrated sourcing technology Zentila and on-site data-capture technology Loopd. Chukwu also led Etouches through an acquisition by private equity firm HGGC. The move brought more cash and the ability to build and develop even faster as the meetings industry matures. "We are at the intersection between marketing automation, customer relationship management and even enterprise resource planning technology," Chukwu said.

Maturing data practices have brought privacy responsibilities for meetings tech providers. Etouches was the first U.S.-based meetings tech provider to be certified for Privacy Shield. It's also ready to keep compliant under the European Union General Data Protection Regulation, which will go into effect in May. "We have been at the forefront in making sure event professionals understand their exposure to GDPR. We are the only ones who have ... built regional data centers in Europe and Asia. It becomes almost impossible to do business with a European company if you don't have that," Chukwu said. The industry can expect other meetings companies to follow in these footsteps, as quickly as they can.

—Elizabeth West

## An Unwilling Catalyst

UNITED AIRLINES PASSENGER

### DAVID DAO



The viral video of a bloodied David Dao being forcibly removed from a United Express flight in Chicago this spring reshaped the way all major U.S. carriers handled bumping passengers from flights. Dao, a 69-year-old Kentucky doctor, already had boarded the Louisville-bound aircraft when the carrier asked him to give up his seat to make way for crew who needed to report for work in another market. Dao refused and was injured when his face hit an armrest as security personnel pulled him off the plane, all of which was caught on video by passengers. Much of the

initial incident's severity was out of United's control—the security personnel were not United employees, and the flight itself was operated by Republic Airline—but the carrier's immediate response was widely criticized as not being contrite, and that further fueled the media frenzy.

United CEO Oscar Munoz later called the incident a turning point for the carrier, which enacted a litany of changes in the subsequent months. Among them: increasing the denied-boarding compensation cap to \$10,000, no longer bumping passengers who already had boarded and reducing overbooking on flights that historically had few volunteers willing to give up their seats. The response went far beyond United, though. Delta increased its compensation maximums for bumped passengers, and American Airlines updated its policies to make sure passengers who already boarded would not have to give up seats. Southwest Airlines, meanwhile, decided to end overbooking altogether, something that was already on its to-do list but that moved to the front burner after the Dao incident.

Airline bumping policies remained in the news cycle for several weeks following the Dao video, including several videos of incidents on other carriers, though the videos and their stories bore varying degrees of credibility. Even before the incident, bumping had been on the decline, having reached its lowest rate in the U.S. Department of Transportation's recorded history in 2016. That decline accelerated after the incident, and United reported that involuntary boarding incidents declined 92 percent year over year in the third quarter, including 28 days in which no passengers were involuntarily denied boarding. That had not happened on any single day prior to that quarter. Overall, major U.S. carriers decreased bumping by 78 percent year over year in the third quarter to 0.15 per 10,000 passengers, setting a new low, according to DOT records.

Dao, who did get an undisclosed settlement from United, undoubtedly would rather simply have flown to Louisville than appear on this list. Willing or not, he shaped airline perception and policy for this year and years to come.

—Michael B. Baker



## Defender of Corporate Payments

AIRPLUS CHAIRMAN & MANAGING DIRECTOR

### PATRICK DIEMER

Buyer groups and card companies breathed a sigh of relief in late November when the European Commission confirmed an exemption for corporate payments from new payment security standards that require strong customer authentication. SCA is a secondary verification of the payer's identity, such as keying in a PIN number received by text, every time the payer makes a remote payment. It's a great idea for reducing high levels of fraud in consumer payments, but it's a lousy idea for corporate mechanisms like central lodge cards, for which no individual is identifiable with the payment and for which fraud levels are low anyway.

The capacity for SCA to cripple the lodge card process was blindingly obvious to anyone in corporate travel but not to the European Banking Authority, which drafted the standards at the European Commission's behest in early 2017. With the EBA impervious to argument, thus began frantic lobbying of the European Commission to insert an exemption for corporate payments. The commission listened and drafted a carve-out. The EBA protested. The commission held its ground, and the exemption survived into publication of the commission's final draft.

Many associations, companies and individuals contributed valiantly to saving managed travel from a whole world of pain. But one of the most active campaigners was AirPlus' Patrick Diemer, who personally led lobbying of German regulators, European parliamentarians and the European Commission itself and was perhaps the first to draw business travel's attention to the brewing storm. "The major achievement was to make regulators aware of the specifics of corporate requirements because this regulation was created with consumer protection in mind," said Diemer.

Even with exemption all but assured, work remains. "We have some cards which count as consumer cards anyway," Diemer said, referring to individual pay company cards that are heavily used in Germany. The travel industry also needs to introduce SCA for leisure customers. Diemer has therefore launched a working group of payment providers, global distribution systems and other relevant parties to create an industry standard for integrating SCA into the travel payment process.

—Amon Cohen



## Uber & Out

FORMER UBER CEO

### TRAVIS KALANICK

Buccaneering digital disruptor or bullying maverick who cut too many corners? History will deliver a fuller judgment on Travis Kalanick, but 2017 was undoubtedly an annus horribilis both for the Ubermensch and the company he founded.

Allegations of endemic companywide sexual harassment got the year off to a bad start. A video of Kalanick aggressively berating one of his own drivers swiftly followed, as did a lawsuit from Google driverless car sister company Waymo for trade-secret misappropriation.

Kalanick resigned in June, but the bad news kept coming. Transport for London banned Uber for not running a "fit and proper" service after a U.K. court already had ordered the company to give its drivers proper workers' rights. In November, Uber revealed that 57 million passenger records had been hacked 13 months earlier, and yet the company hadn't informed anyone, leading to more legal problems. Along the way, the company lost more than \$1 billion two quarters running.

Yet there is no denying the extraordinary, permanent transformation Kalanick and his on-demand car service have wrought on ground transportation. Uber handles 10 million trips per day across 77 countries. It claims 65,000 corporate clients for its Uber for Business service, which offers travel manager-friendly features like policy controls and management information.

Uber also has dealt a near-terminal blow to traditional taxis, which accounted for only 7 percent of ground transportation business expense claims in the third-quarter of 2017, according to expense management provider Certify. Uber's market share was an astonishing 54 percent, although that figure slipped a point in Q3, the first time that has happened. Rival Lyft, meanwhile, shot up from 8 percent to 11 percent. Is it the first indication that Uber's missteps are affecting its popularity?

This is Kalanick's third showing in BTN's Most Influential. The last time Kalanick appeared, in 2015, he was followed alphabetically by Expedia CEO Dara Khosrowshahi, who then followed him into the Uber CEO hot seat in August 2017. Khosrowshahi is battling to exorcise the bad while keeping the good left behind by his predecessor. Kalanick—worth \$5.1 billion, according to Forbes—is battling lawsuits.

—Amon Cohen



## Laptop Prohibitor

FORMER HOMELAND SECURITY SECRETARY

### JOHN KELLY

John Kelly's stint as U.S. Secretary of Homeland Security is the shortest of anyone appointed to that position since its creation in 2002. And yet, during those six months, he presided over a

department decision that threw corporate air travel into an uproar.

In March, DHS announced a ban on laptops and other large electronic devices onboard U.S.-bound flights from 10 airports, largely in the Middle East and North Africa. The U.K. introduced a similar ban at the same time, but the U.S. ban was the only one to include the hubs of the big three Gulf carriers—Dubai, Abu Dhabi and Doha—all of which handle large volumes of global corporate travel. Though the carriers rushed to find ways to accommodate travelers, such as providing loaner laptops, corporate travelers suddenly faced putting laptops, along with all the sensitive data they contained, in their checked luggage.

**"We cannot play international whack-a-mole with each new threat. Instead, we must put in place new measures across the board."**

In response, buyers had to adjust their own policies, many setting up their own loaner-laptop programs at headquarters to prevent travelers from checking their devices or diverting travel through hubs that did not have the ban. The International Air Transport Association reported a tangible hit in demand to the Middle East as the ban endured.

Airline executives who were privy to some of the intelligence that led to the ban cautioned it could spread to flights from Europe and beyond. Shortly before Kelly's departure to become President Donald Trump's chief of staff, the DHS ultimately introduced another remedy: new security requirements, including heightened screening of personal electronic devices, for all inbound flights to the U.S. Over the following months, each of the affected airports saw its laptop ban reversed as they adapted security capabilities to satisfy the DHS's requirements.

"We cannot play international whack-a-mole with each new threat," Kelly said upon announcement of the requirements. "Instead, we must put in place new measures across the board to keep the traveling public safe."

Though short-lived, the bans brought to the forefront the needs for comprehensive policies for traveling with electronic devices, along with data encryption and protection. After all, travelers still could be asked to turn over or unlock a laptop at a security checkpoint, independent of the bans.

—Michael B. Baker



## Uber Roadblock

MAYOR OF LONDON & CHAIRMAN OF TRANSPORT FOR LONDON

### SADIQ KHAN

Uber has prompted panic on the streets of London on numerous occasions, both for drivers and for passengers, but in September the chairman of Transport for London, Mayor Sadiq Khan, flipped the script on Uber by declining to renew its operating license in the city. While the on-demand ride-hailing app has faced legal woes and thus been made to consider modifying its business model, Khan's decision could end Uber's London operations altogether and ripple to other markets. It also may affect Uber's plan to secure a multibillion-dollar investment from Japanese bank SoftBank.

TfL, which is responsible for the city's transportation system, determined that Uber was not "fit and proper to hold a private hire operator license" owing to its lack of corporate responsibility and to concerns regarding public safety and security, according to a TfL statement. These included how Uber reports serious criminal offenses, obtains drivers' medical records and screens drivers, as well as its use of software that may have blocked regulators' investigations.

In an effort to ameliorate Uber's relationship with TfL, new Uber CEO Dara Khosrowshahi met with TfL commissioner Mike Brown. Khosrowshahi also issued an apology for Uber's practices under ousted CEO Travis Kalanick and promised change. He continued on his apology tour to other countries. While Uber appeals the decision, which Khan said could take years, it can continue to operate in London.

—JoAnn DeLuna

## Transatlantic Trailblazer

NORWEGIAN AIR SHUTTLE CEO

### BJORN KJOS

Armed finally with U.S. Department of Transportation approval to increase service to the U.S., Norwegian Air Shuttle, already a disruptor on transatlantic routes, is shaking up that business-travel-heavy market even more. The low-cost carrier, started by CEO Bjorn Kjos after the end of Norwegian airline Busy Bee in the early 1990s, has been flying between Europe and the U.S. on Boeing 787 Dreamliner aircraft for several years. This year, Norwegian also began service from Ireland to two smaller East Coast airports—Stewart International Airport, north of New York, and Providence, R.I.—on single-aisle Boeing 737 Max aircraft. It's the first carrier to introduce smaller jets to transatlantic flights. In all, the carrier has opened about 30 intercontinental routes between Europe, the U.S. and Asia in the past year.

The increased capacity has been a factor in bringing transatlantic fares to their cheapest point in years, and that has prompted legacy carriers to adapt to compete. Delta has expanded its Basic Economy to transatlantic flights, and Aer Lingus introduced a similar type of fare on its transatlantic routes. American Airlines may introduce a basic economy fare on its transatlantic flights next year. British Airways parent company International Airlines Group, meanwhile, launched its own low-cost subsidiary, Level, this year.

Norwegian's service on smaller aircraft, meanwhile, stands to change the transatlantic market further, as the carrier can offer connections to smaller markets. Other carriers considering transatlantic service on single-aisle aircraft—JetBlue, among them—undoubtedly are monitoring Norwegian's success on the new routes.

"Through a combination of new technology, regulatory change and applying innovative strategies, Norwegian has irreversibly reshaped the way airlines, low-cost and otherwise, look at their network opportunities," according to Peter Harbison, executive chairman of CAPA-Centre for Aviation, which named Norwegian as Airline of the Year for 2017. "The demand is there, and hopefully profitability will follow as Norwegian truly develops from its roots as a European regional airline into a global airline and recognized brand across the world."

While its no-frills, low fares draw leisure travelers more than business travelers, Norwegian is not ignoring the corporate market. It's expanding premium seating on its widebody aircraft for U.S. flights, in part because of large demand from corporate travelers seeking lower prices on premium service, according to Kjos. "It's been very attractive for business people," Kjos told BTN. "We are attracting the smart business people who are taking the cost benefit."

—Michael B. Baker



# The Plug Puller

ETIHAD AIRWAYS CHAIRMAN

## MOHAMED MUBARAK FADHEL AL MAZROUEI

In 2015, BTN named Etihad Aviation Group CEO James Hogan to its list of Most Influential largely for the company's investments to build a global alliance network. This year, Hogan stepped down from that position, as chairman Mohamed Mubarak Fadhel Al Mazrouei, announced a review of Hogan's policy. In the aftermath, one major European carrier is out of business and another is on life support.

Upon Mazrouei's ordered review, Etihad pulled financial support from Germany's second-largest carrier, Airberlin, and the carrier filed for insolvency soon after. Airberlin made its last flight in October, and Lufthansa and Easyjet are seeking regulatory approval to absorb the remains.

Another carrier in Etihad's family of investments, Alitalia, filed for bankruptcy protection this spring, after its workers rejected a major refinancing plan and Etihad decided not to offer additional funding. Unlike Airberlin, Alitalia seems poised to survive as a carrier, continuing operations as it weighs offers from bidders to take it out of bankruptcy.

Financial woes predated Etihad's investments in both carriers, and Etihad's change in strategy was not surprising, given that the investments were large factors in Etihad's \$1.87 billion net loss in 2016. Etihad Airways CEO Peter Baumgartner has said the company has no plans to pull back on its other investments, which include India's Jet Airways, and Etihad Aviation has tapped former Heathrow CEO Tony Douglas to succeed Hogan as group CEO in January. In the meantime, Baumgartner has indicated the carrier is now focused on its own network rather than looking for new investments.

—Michael B. Baker



## Summer Savior

AMTRAK CO-CEO

## CHARLES "WICK" MOORMAN

New York Gov. Andrew Cuomo preordained summer 2017 the "summer of hell" for travelers out of New York Penn Station, as Amtrak began a massive repair project that disrupted schedules out of the busiest rail station in the U.S. In the end, it turned out to be more of a summer of heck.

Following a series of derailments and stalled trains along the tracks shared by Amtrak, New Jersey Transit and the Long Island Railroad, Amtrak and its president and CEO, Wick Moorman, decided in April to accelerate track work that had been scheduled to take several years.

The work focused largely on repairing the interlocking system that routes trains into and out of the station. In all, Amtrak installed 897 track ties, 1,100 feet of rails, 1,000 tons of ballast, seven switches, four diamond crossings and 176 yards of concrete.

While the work required significant service disruptions over the summer months, Amtrak largely left key business travel routes alone; it made no changes to schedules for the Acela Express lines or the Northeast Regional service between New York and Boston. Some service between New York and Washington was canceled, however, and routes on the Keystone service to Philadelphia and Harrisburg, Pa., were routed to avoid Penn Station. Amtrak mitigated the disruption by lengthening trains to increase capacity, according to Moorman.

Despite fears, the work finished on time and without any significant problems. Near the end of the work period, Cuomo conceded that his forecast "summer of hell" did not materialize. Amtrak later reported record ridership, including on the Northeast Corridor line, for the 2017 fiscal year, which ended Sept. 30.

The emergency repair work was far from the end of the scope of work needed at Penn Station, though the project will continue without Moorman at the helm. He joined Amtrak in September 2016 as a transitional CEO, and Amtrak's board has appointed former Delta CEO Richard Anderson to succeed Moorman at the turn of the year. Since July, Anderson has been working alongside Moorman, who will continue to advise Amtrak next year.

—Michael B. Baker

**New York Gov. Andrew Cuomo had preordained summer 2017 as the "summer of hell" for travelers out of New York Penn Station, but it turned out to be just a summer of heck.**

CONTINUED ON PAGE 18

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- Ariel Crohn, Corporate Meeting & Travel Manager, Coverys

BTN Innovate never fails to deliver insightful content best practices about what really matters in our industry

- Martha Ferguson, SVP, Global Travel Manager, Lazard Freres

BTN Innovate 2017 was simply fantastic! Great presenters and amazing new ideas/apps/innovations. Even better than the year prior! GREAT JOB BTN and THANK YOU!"

- Anna C. Bramante, Director Travel & Fleet, The Travelers Companies, inc.



SpotHero for Business Co-Founder Becca Rabinowitz, who took home 2017's Business Travel Innovator Award



DVI's President Brian Beard, who took home 2017's People's Choice Business Travel Innovator Award

CONTINUED FROM PAGE 15



## Man of Mystery

BLOCKCHAIN CREATOR

### "SATOSHI NAKAMOTO"

If the hype is to be believed, blockchain will revolutionize the travel industry by replacing existing distribution and payment methods, making processes cheaper by cutting out middlemen like the inveterate global distribution systems and banks. By design, blockchain has the power to decrease fraud, speed the transmission of data and payments and improve traveler tracking.

In 2016, T&E management provider KDS was one of the first companies in the business travel industry to accept bitcoin, which is the first major use of blockchain technology. Travel management company Gant followed KDS in September of this year. Both wanted to be ready when demand from clients emerged. Blockchain startup Winding Tree partnered with Lufthansa in October and plans to launch a blockchain-based hotel and airline distribution products.

In July, Innfinity Software Systems said it would redevelop the back end of its online booking tool using blockchain. Senior developer Jonathan Carmody said blockchain would enable clients to link content and offerings in new ways that aren't currently possible. ShoCard is developing a traveler identification method to connect other identification data like passport and I.D. information and improve airport security and traveler tracking. AirPlus CEO Patrick Diemer said the payments company had been examining the technology, American Express and Visa each plan to implement blockchain for crossborder B2B payments and Mastercard has filed a patent application with the U.S. Patent and Trademark Office for its own blockchain solution.

There's a sense that the travel industry and indeed the larger economy are on the brink of something. We just don't know quite what yet. Nor do we know who started it all. The identity of the technology's creator, is unknown. The first papers describing bitcoin were published on a cryptography mailing list in 2008 by Satoshi Nakamoto. However, no one has confirmed the person's true identity and some even consider the name to apply to a group of people even though Nakamoto has self-identified as a Japanese man born in 1975.

—JoAnn DeLuna



## Concur's Challenger

CERTIFY CEO

### BOB NEVEU

Certify has joined the exclusive league of large suppliers like Deem and KDS that provide truly integrated T&E solutions. That owes to Certify's acquisition of NuTravel's online booking tool, following Certify's June merger with three expense firms. The expense companies' combined client base paired with an in-house online booking tool positions Certify to compete with the leader in the space, Concur. "It's always important that the No.1 player in any space has a strong competitor," Certify CEO Bob Neveu said. "If you look at any running race, two [athletes] run individually but they run against each other and they run faster."

Expense management suppliers typically rely on integrations with multiple online booking tools, capping the clients they can win. Those partnerships also complicate procurement decisions for travel managers. After all, most customers prefer a one-stop shop solution, according to Neveu. "Prior to the acquisition, Certify and pretty much every other expense company out there had the 'E' covered, but few did travel," Neveu said.

To offer an integrated solution, Certify would need to "build it, buy it or partner it," he said. "We had been working on the partner piece, and we thought about building it but realized it was just a long way away with a lot of challenges." This year, the elements fell into place. In June, K1 Investment Management acquired a \$125 million majority stake in Certify and merged it with the private equity firm's three other expense firms: ExpenseWatch, Nexonia and Tallie. Combined the four expense companies' corporate clients number 7,500, second only to Concur. While Neveu says the companies will maintain their own brand identities, he also has said Certify technologies could cross over.

K1's investment also provided Certify with cash to acquire a travel booking technology. Certify had partnered with NuTravel since 2010, and in July, the pair announced an integrated T&E solution for the midmarket and larger companies called Certify Enterprise Travel. It turns out the companies were fleshing out their merger in secret at the time. They announced the tie-up in September.

The move is an opportunity to provide an alternative to Concur but also a distribution play. Concur has turned the travel management company market into a distribution vehicle for its expense product, but as the company has bolstered its services and products, some started to see Concur as a competitor to TMCs—something Concur and some of its TMC partners have adamantly refuted. So Neveu sees an opportunity to be an alternative for TMCs, as well.

—JoAnn DeLuna

## Pricing Provocateur

HILTON PRESIDENT & CEO

### CHRISTOPHER NASSETTA

Marriott International may have been the first hotel company to enact a 48-hour cancellation policy across its organization, but Hilton CEO Christopher Nassetta pushed the envelope on pricing strategies within the hotel industry.

As happened in 2014 with 24-hour cancellation policies, Marriott and Hilton moved nearly in unison for 48-hour cancellation windows inside of which travelers would face penalties. Marriott took the lead in June and Hilton followed in July. Hilton added muscle to its penalties by dictating a 72-hour cancellation windows in some high-demand markets.

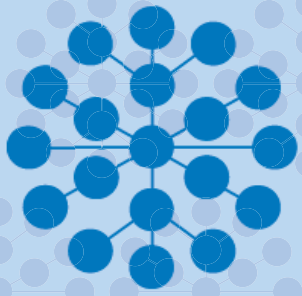
The policy changes sent corporate travel managers digging through data to try to assess the impact such penalties would have on their programs. However, Nassetta isn't content to leave the policy at 48 or even 72 hours, and he's been vocal about that fact.

During the company's most recent earnings call, he said Hilton is testing "changes in how we price all our products, sort of taking it from the 48- or 72-hours to seven days and then seven days and beyond with a flexible or semi-flexible product pricing approach." If the tests go well, Hilton plans to roll out more changes in 2018. Nassetta's stance is consistent with his past remarks and with pricing strategies tested by Hilton in 2016, including a \$50 penalty for any canceled reservation at select properties and flexible and semi-flexible pricing structures.

In a vacuum, Nassetta's comments and Hilton's pricing experiments wouldn't be a problem; Hilton may be a market leader, but it doesn't match the scale of Marriott. However, the industry—Marriott included—has been paying attention and is poised to follow Hilton's lead as its rate structures more and more closely resemble those of the airline industry.

—Julie Sichel





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## NDC's Key Aggregator

TRAVELFUSION CEO

### MOSHE RAFIAH



As managed travel takes its first steps into the brave new world of New Distribution Capability-enabled direct connects between airlines and corporate clients, one lesson has become clear: Actually, there is no such thing as a direct connect. At least one intermediary is almost always involved. Building a distribution pipe from an airline, even a Web-based one, "is not simple to achieve," Moshe Rafiah said with some understatement. And that is why the name TravelFusion popped up in story after story in 2017, emerging as the first major aggregator of the alternative air distribution era.

Rafiah founded London-based TravelFusion in 2000 to bundle application programming interfaces from low-cost carriers and feed their content to online travel agents, travel management companies and other service providers. That experience positioned TravelFusion nicely when full-service carriers decided they wanted to start distributing the same way, via APIs built to NDC standards.

TravelFusion now offers APIs from more than 300 suppliers worldwide. The vast majority remain budget carriers, but the number of full-service airlines on the list shot up from two to 14 in 2017, and Rafiah said another dozen are in the pipeline.

Perhaps just as significantly, he said, TravelFusion APIs are now taken by nearly all online booking tools. This summer, BTN sister publication The Beat revealed Concur has largely stopped building airline APIs itself. "All we do is call TravelFusion," said a Concur executive. Another milestone was TravelFusion's involvement in a customized connection of Web fares from the U.K. airline Flybe into the KDS booking tool used by PwC.

Yet, in spite of the progress, Rafiah is "not going to hide the difficulties" of managed travel making a success of NDC. While TravelFusion and other aggregators can join airlines to TMCs, the TMCs are struggling to integrate those bookings into the back-office systems where they perform essential client functions like feeding traveller tracking tools and creating management information. Although Rafiah said it is "not an area we are interested in strategically," TravelFusion is actively investigating building technology to solve this problem for TMCs in 2018.

—Amon Cohen

## The Ding in GDSs' Armor

U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK

### LORNA SCHOFIELD

Following an eight-week trial last year, an 11-member jury concluded that Sabre's distribution contract provisions—as applied to US Airways' 2011 contract, at least—"unreasonably restrained trade." The jury also concluded the airline plaintiff did not bring sufficient evidence to show Sabre colluded with competing global distribution systems.

Judges are inherently influential in such proceedings: They approve or deny motions that advance or toss claims; they decide which evidence is admissible; and they dictate the rules of the road on which plaintiffs, defendants and juries must drive.

This year, U.S. District Judge Lorna Schofield added several key decisions to the years-long antitrust case. In March, she affirmed the jury's verdict, denying Sabre's bid to overturn it or retry the contract claim it lost. Sabre has insisted it has operated within the bounds of law. In an appeal filed this year, it further contested the judgment. American, too, has appealed aspects of the case. That higher court review continues.

This year, Schofield also denied a bid by American Airlines, which merged with US Airways and continued the case after it was filed in 2011, to elaborate on the scope of the verdict so that it would further clarify the rights of airlines when faced with contract terms similar or identical to those the jury found unlawful. Airlines joining that failed request included Air Canada, Alaska Airlines, JetBlue Airways, Lufthansa Group and United.

To several industry watchers, the resolution of the case in the district court augured incremental, though not big bang, changes in distribution. At the very least, it provided new leverage for airlines negotiating GDS deals. As one airline lawyer commented after the trial: "Having a jury determine that the provisions in that contract were illegal obviously raises very serious implications for Sabre if they want to continue to insist on them in contracts."

—Jay Boehmer



## Na-Na-Na-Na-Na-Na-Na ... Botman!

MEZI CEO

### SWAPNIL SHINDE

Chatbots have flooded the corporate travel space in the past two years. There's artificial intelligence under the hood of each, taking in traveler preferences, travel policy parameters and historic booking data and combining it with aggregated content from traditional sources like global distribution systems and sometimes nontraditional sources like Expedia, Priceline subsidiaries and Booking.com. Crunching it all together and delivering personalized itinerary choices in a simple interface is just one piece of the puzzle for Mezi, and the technology is sharp. Shinde claims Mezi can process 60 percent of requests without a failure, and should be at 80 percent within six months. When the technology does fail, Mezi has people behind the scenes ready to take over. That human assist is where Shinde breaks with tools like HelloGbye or Hello Hipmunk, which strive for 100 percent AI capability. Instead, it sides with Kayak co-founder Paul English, who has launched Lola with similar human underpinnings but hasn't fully entered the corporate market.

Where Shinde has succeeded and competitors trail is in the partnership business. Mezi hasn't ruled out corporate-direct relationships, but Shinde's strategy favors travel management companies. Mezi has signed about a dozen TMC partners, and Shinde scored big-time bringing on corporate travel tech evangelist Johnny Thorsen this year to pursue those relationships. While Mezi has additional suitors, Shinde said he's not taking additional partners right now because his vision is to integrate completely with the ones he has, not just as a so-called "pocket travel assistant" but as the next-generation TMC platform. "Our partners need to share that vision," he said.

Casto Travel CEO Marc Casto does. He partnered with Mezi to launch a white-label chatbot, plus an alternative AI-supported service workflow with specialized agents who are unfettered by GDS codes and archaic interfaces. He sees a future in which AI solves an industry labor crisis for qualified agents. "Our AI-assisted agents are at least five times more productive than a traditional agent," he told BTN in September. "And the excitement among [them] has been amazing."

—Elizabeth West



## Cancellation Policy Chief

MARRIOTT INTERNATIONAL  
PRESIDENT & CEO

### ARNE SORENSON

Marriott International president & CEO Arne Sorenson marks his fourth consecutive appearance on BTN's Most Influential. One might argue that anything Sorenson does, as the head of the single largest hotel company in the world, is going to have an impact on travel. However, Marriott's decision to enact a 48-hour cancellation policy in place of its 24-hour policy caused a particular stir in 2017.

Marriott released the policy, in which travelers will incur penalties if they cancel their reservations within 48 hours of their stay, in June. Hilton followed the next month, and then InterContinental Hotels Group changed its cancellation policy from same day to 24 hours.

Sorenson said in August the company hadn't seen much blowback. "Nobody likes incremental restrictions on the flexibility of reservations," he said, "but I think most customers understand that we've got a need to manage our inventory and avoid walking people and doing those sorts of things."

Corporate travel managers and buyers, however, had plenty to say. The general sentiment was that the policies were anticorporate and the inevitable result of consolidation in the industry, the biggest example of which was Marriott's acquisition of Starwood Hotels & Resorts.

**"Most customers understand that we've got a need to manage our inventory and avoid walking people."**

Under 24-hour cancellation policies, buyers typically still had been able to negotiate same-day 6 p.m. cancellations on negotiated rates. With the new 48-hour window as a starting point for negotiations on corporate rates, corporates are now being pushed to agree to a 24-hour cancellation window instead.

The cancellation fees will hurt some organizations more than others, but the lingering fear is that the change could lead to even stricter policies in the near future and that Marriott, with its market dominance, will lead the way.

—Julie Sickel

## Emperor of the European Skies

LUFTHANSA GROUP CHAIRMAN & CEO

### CARSTEN SPOHR

A perpetual debate rages among BTN editors: Do we honor as Most Influential those whose earlier work proved influential this year or those whose work this year should prove influential in the future? In the case of Carsten Spohr, the answer is both.

Back in 2015, Lufthansa Group airlines became the first full-service carriers to restructure their distribution. Lufthansa announced it would enable New Distribution Capability-enabled connections to corporate clients, agents and others while slapping a surcharge on bookings through global distribution systems, with which it also ended full-content agreements. Much speculation ensued over whether rivals would follow suit when their GDS deals came up for renewal in 2017. In the end, British Airways, Iberia and Air France-KLM did. In Europe, following Lufthansa's lead, the die for permanent distribution change is now cast.

Meanwhile, the strategic focus in 2017 for Carsten Spohr, a licensed professional pilot and Lufthansa boss since 2014, has been making his aviation behemoth even bigger. The opportunity was created by the weakness of competitors: Airberlin, Germany's second-largest airline, went bust and Alitalia is throwing in the towel after two decades of crisis. Lufthansa has bid €250 million to acquire Alitalia, giving Lufthansa another long-haul hub in Rome, and has agreed to buy a large chunk of Airberlin, which would give it a near-monopoly on the 100-plus routes on which the two overlapped.

German travel managers are deeply unhappy, fearing they will pay more if power is concentrated so heavily with one supplier. In fact, there are allegations those fears already have been realized. Germany's Federal Cartel Office, which has had to slap Lufthansa down in the past, is investigating a sharp domestic fare rise from the airline following Airberlin's cessation of service.

European Commissioner for Competition Margrethe Vestager has expressed concern about the "risk of a very strong limitation on competition on quite a number of routes" and is poised to intervene. Expect a major tussle in 2018.

—Amon Cohen



## Transformer

AMERICAN AIRLINES GLOBAL SALES SVP

### ALISON TAYLOR

In just over a year leading American Airlines' sales, Alison Taylor has overseen a buildup and transformation of the carrier's corporate sales team, as well as an industry-first strategy to use incentives rather than fees to promote adoption of the New Distribution Capability.

Taylor, who joined American in September 2016 from Starwood Hotels & Resorts Worldwide, said the carrier is on track to add 132 new sales positions by the end of this year, an effort that brought in new blood from around the world, including from competitors, which "has led to a momentum of the team feeling fabulous," she said. Taylor also has led numerous initiatives like relaunching the sales team's group and incentive segment, expanding flexibility around self-service funds for agents and travel buyers, increased training, and developing a sales portal that will roll out early next year.

Those efforts are bearing fruit, as corporate market share grew every quarter this year and as the carrier added 16,000 small and midsize corporate accounts during the first three quarters. On an anecdotal level, buyers attending BTN's trends and forecast events around the U.S. have spoken of their sales relationships with American in a more positive light lately after years of critical discussion that followed American's merger with US Airways.

Taylor bears responsibility for American's distribution policy, as well, and this year the carrier enacted an incentive program to encourage travel agents and content distributors to connect via NDC methods. The program offers \$2 per American Airlines-marketed segment booked through a full, end-to-end Level 3 NDC connection with the carrier. As of early November, about 120 customers were working with American to approach the connection, Taylor said. "We want to be industry leading when it comes to NDC," she said. "We're not mandating anything, and we're not putting a surcharge in place."

—Michael B. Baker



## The Tempest

U.S. PRESIDENT

### DONALD TRUMP

Agree with his policies or not, one can't deny the global travel disruption U.S. President Donald Trump's executive orders regarding travel to the U.S. have caused. His first so-called travel ban, issued Jan. 27, restricted citizens of Iraq, Iran, Libya, Somalia, Sudan, Syria and Yemen from entering the country for the following 90 days, including people with documented legal U.S. status. The order also suspended the U.S. Refugee Admissions Program for 120 days, lowered the number of refugees the U.S. would admit in 2017 to 50,000 and indefinitely suspended the entry of Syrian refugees into the country. Trump argued the time periods were necessary for the Department of Homeland Security to review the effectiveness of visa requirements for each country.

Confusion, uproar, protests at major airports, legal challenges and condemnation by major corporations ensued. Judges in New York, Massachusetts and Virginia blocked certain aspects of the order and temporarily halted deportation for individuals with permanent U.S. resident status or valid visas but not before the federal government detained 746 people over 26.5 hours on Jan. 28 and 29 and provisionally revoked about 60,000 visas, spinning lives into limbo. Nearly 50 cases challenging the order were filed in federal courts within four days of the order.

In March, Trump replaced that order with a narrower one that dropped Iraq from the list of banned countries; confirmed that green card holders, those with temporary student and work visas and visitors with a "bona fide relationship" with someone in the U.S. would not be affected; and suspended Syrian refugee applications for 120 days rather than indefinitely. This second order also faced legal challenges immediately; more states, businesses and universities joined the fight and filed injunctions that claimed the ban remained unconstitutional and harmed states' business communities and economies. Federal judges in Maryland and Hawaii blocked the order in March, and in May, after the 4th Circuit Court of Appeals upheld a nationwide injunction, Trump vowed to take the case to the Supreme Court. In July, the courts forced the State Department and Homeland Security to revise its definition of a "bona fide relationship" to encompass more family members and entities like employers and universities.

Again preempting higher court action, Trump in September issued a third version of his so-called travel ban. This one indefinitely restricted travel from five of the seven countries in the first order, excluding Iraq and Sudan, and adding Chad, North Korea and Venezuela to the list. Federal courts in Maryland and Hawaii blocked the order before it was scheduled to take effect in October. However, on Dec. 4, the Supreme Court reinstated the third ban, and so it will be in effect through appeals, which could be destined for the Supreme Court. Oral arguments on the Hawaii case began on Dec. 6.

—JoAnn DeLuna



## Distribution Defector

INTERNATIONAL AIRLINES GROUP CEO

### WILLIE WALSH

When British Airways and Iberia announced plans to surcharge global distribution system bookings in May, comparisons to Lufthansa Group were hard to shake. As Lufthansa did in 2015, the International Airlines Group carriers this year opted out of full content deals with GDSs, surcharged those bookings and offered direct booking alternatives for travel buyers to avoid the fee.

Eyeing its moves in distribution, CEO Willie Walsh told investors in November 2016: "We are not going to model this on what anyone else has done because we are not the same as Lufthansa, for example. What they have done may have worked for Lufthansa. It is not necessarily what will work for us."

With the creation of a "private channel" for select travel agencies to avoid the surcharge when booking through GDSs, IAG certainly distinguished its corporate travel distribution approach from Lufthansa's—and, for that matter, Air France-KLM, which followed IAG in announcing its own GDS surcharge.

Amadeus was the first GDS to enable a private channel framework with IAG. Sabre and Travelport followed. In this model, IAG invited travel agencies to continue to transact through the GDS but spared their clients from paying 8 British pounds per fare component or a local currency equivalent.

This was welcome news to travel buyers whose TMCs avoided the cost and got to preserve established processes for booking travel. Still, IAG's private channel created a bifurcated world of corporate travel distribution. While the mega TMCs and most of the largest corporate agencies in BA's home market received a private channel nod, it left other agencies that don't get such a deal at a price disadvantage. This has troubled the have-nots in the agency community.

This year, Walsh said IAG was gunning for "structural change" in distribution, adding, "the nature of the relationship between GDSs and airlines is not sustainable, and we want to get that changed." The change has come.

—Jay Boehmer



## Private Channel Partner

AMADEUS SVP OF TRAVEL CHANNELS

### DECIUS VALMORBIDA

It takes two to tango. While the International Airlines Group initiated a new "private channel" concept in travel distribution this year, the British Airways and Iberia parent needed a willing partner on the distribution side to do the dance. Enter Amadeus.

In October, a month before BA and Iberia enacted a distribution surcharge on global distribution system bookings, several major travel management companies revealed they'd reached a deal, facilitated by Amadeus, in which the airlines would shield their corporate customers from the airlines' GDS-booking surcharge.

In the ensuing months, Sabre and then Travelport followed suit on similar deals that allowed travel agencies, handpicked by IAG airlines, to book on their systems without surcharge.

Amadeus SVP of travel channels Decius Valmorbidia was instrumental in fostering the model at the first-mover company. He cited demand from the two primary users of the GDS. "We have seen both the agencies and the [IAG] airlines saying, 'I would like to have some resellers with access to different content and to different commercial conditions.' We have seen both sides ask us, 'What if we could come into commercial terms that are different than what is the standard GDS commercial offer? Would you as a technology provider be able to power that?' Our response has been, 'Absolutely.' We have the infrastructure, we have the technology and we can facilitate those agreements."

The modus operandi of each GDS for years had been to secure equal access to airline content for all agency subscribers, and the private channel has deviated from convention. Amadeus called private channel "a workable option for specific contexts. It gives travel agencies and TMCs access to a full range of content and servicing capabilities, while also giving airlines the ability to sell their content in a way that meets their strategic business objectives."

Indeed, as Amadeus seeks to address "the issue of content fragmentation," it noted that "the private channel is just one of the many models we've been exploring."

—Jay Boehmer

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BY AMON COHEN

# Bernd Burkhardt's FiveStar Travel Program

THREE CLICKS, ONE TRIP OPTION, DONE

In 2013, Daimler head of travel management Bernd Burkhardt summoned senior executives from four of his long-standing service providers to the automotive giant's headquarters in Stuttgart, Germany. He had brought AirPlus International, Amadeus, BCD Travel and SAP together; he told them, because he wished to share an ambitious vision.

## One Trip Option: That's It

Now known as FiveStar, the concept Burkhardt

proposed that day simplified the entire trip planning, booking, payment and expense management process to just three clicks and three minutes of work for the traveler. Click 1: The traveler confirms on a mobile app where he or she wants to travel, when and what combination of air, hotel and car rental he or she requires. Click 2: The app returns not dozens of itinerary options but just one single trip recommendation, and the traveler approves it. Click 3: The traveler approves the expense

report after the system has centrally and invisibly handled payment for the trip.

Five years, several setbacks and much product development later, that vision is becoming a reality. SAP bought Concur and dropped out of the project early on; Amadeus, on the other hand, bought and switched to the Cytric booking tool but stayed in the project, forcing some rework but incorporating a more capable tool. The original vision lived on. This year, the platform emerged from "user experience" tests in

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**Bernd Burkhardt**

for promoting your vision of digital travel management with your work on the FiveStar Model program.

Your partnership and collaboration efforts brought the most dedicated partners together to make Daimler's global and digital vision real. Even more so, you brought global travel management into a new era. When it comes to travel payment customers, you have been one of the most innovative sources for us on our journey to making global travel payment invisible.

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# 2017 MULTINATIONAL TRAVEL MANAGER OF THE YEAR

the U.S. and Canada, and come 2018, Daimler will roll out FiveStar to its Mercedes-AMG division in Stuttgart. Burkhardt also hopes to pilot voice-activated bookings next year. Assuming all goes well, it will roll out globally after another eight months.

Burkhardt isn't looking to transform Daimler's program alone, however; he wants to show the industry a path forward. "We saw the project had the potential to become an industry standard," he said. "There may be other ways to get there," he added. "FiveStar is one way, and we all need to move in this direction."

## Simplicity & Trust

Yet it takes a lot of complexity under the hood to create ultra-simplicity for the traveler. The biggest challenge has been developing technology that travelers will trust to deliver the single trip option with the best available product at the best price. FiveStar uses algorithms that crunch together policy, price, personal booking history and colleagues' preferences to create the optimum fit. The need to handle expenses is avoided by deploying centralized payments. Air and car rental transactions are paid for through Daimler's AirPlus lodge card. Hotels are paid for with automatically generated AirPlus A.I.D.A. virtual cards, which ultimately

that we really need to be disruptive in the travel industry—not continuous improvement, not creating another app, or online booking tool—but really being disruptive," he said. "This will only happen if you bring partners in the value chain together. The problems are too complex today to solve them in silos."

## Total Cost of Ownership

The underpinning philosophy for Burkhardt, who reports to HR, is that the true total cost of ownership of travel is often overlooked or misunderstood. Daimler employees undertake 500,000 trips a year, and Burkhardt estimated conservatively that booking, paying and expensing each trip takes half an hour. Pricing employees' time at €100 per hour, that's roughly €25 million of lost productivity each year.

"From our perspective, it was time for digitalization of business travel," said Burkhardt. "We thought the only thing a traveler should have to do in a digital world is to say where they need to go to and when they need to be back. There is no hassle, no struggle, no administration. We can reduce their administrative efforts down to zero. It's not a question of making a 10 percent or even

company's car production, changes are afoot.

In particular, Burkhardt regards the all-important question of trust as a two-way street, with the employer also needing to show faith in the employee. Within Daimler's travel program, this trust is manifested by the total elimination of formal pre-trip approval processes. "Every traveler has to talk to their supervisor about the need for their planned trip, and that is enough," Burkhardt said. "That's essential to our corporation because we have a program of cultural change, and travel is showing the whole organization that we really mean we are changing to a basis of trust."

## Remaining Focused on the Traveler

With the Daimler travel program oriented ever more firmly on traveler management, attention has shifted away from supplier management in recent years. Airline deals are now negotiated only for long-haul routes, and Daimler has outsourced hotel negotiations to HRS. Daimler provides HRS with rate caps and its likely demand patterns, then leaves the hotel specialist to get on with it.

One of the main reasons Burkhardt chose to outsource accommodation management



**"WE CAN REDUCE THEIR ADMINISTRATIVE EFFORTS DOWN TO ZERO. IT'S NOT A QUESTION OF MAKING A 10 PERCENT- OR EVEN 60 PERCENT-QUICKER PROCESS. IT'S REALLY ABOUT ELIMINATING ALL THE ADMINISTRATIVE EFFORTS." —DAIMLER'S BERND BURKHARDT**

also are settled through the lodge card.

Burkhardt knows that building trust with travelers is the issue on which FiveStar will stand or fall. "Compare it to Google, a business model based on trust," he said. "No one thinks there is a better source for the information or mistrusts what Google is saying on page 1 or 2 [of its search results] and should pay attention to page 9 or page 12 instead. We should think the same way."

He added: "In today's world when we have all the data and we are thinking about algorithms, machine learning and artificial intelligence, we can make it happen if we know everything about our travelers and their travel patterns and preferences and we know our travel policy as a corporation and our needs when it comes to the question of safety and security. This could be a long journey, but we are learning step by step. It could be the first try won't fit 100 percent or even the third try. It may be the fifth, but we need to step into that world."

The enormity of the challenge also explains why Burkhardt felt compelled to act with partners, seeing himself as a conductor "standing in front of the orchestra" of his service providers. "I strongly believe

60 percent quicker process. It's really about eliminating all the administrative efforts."

## A Global Support Structure

It isn't the first time Burkhardt has attempted to break the mold. A Daimler employee for more than 30 years, he joined the travel team in 1998 and was one of the first to create a global travel program with a seamless and automated end-to-end process from booking through payment and expense reporting to data upload to the company's enterprise resource planning system.

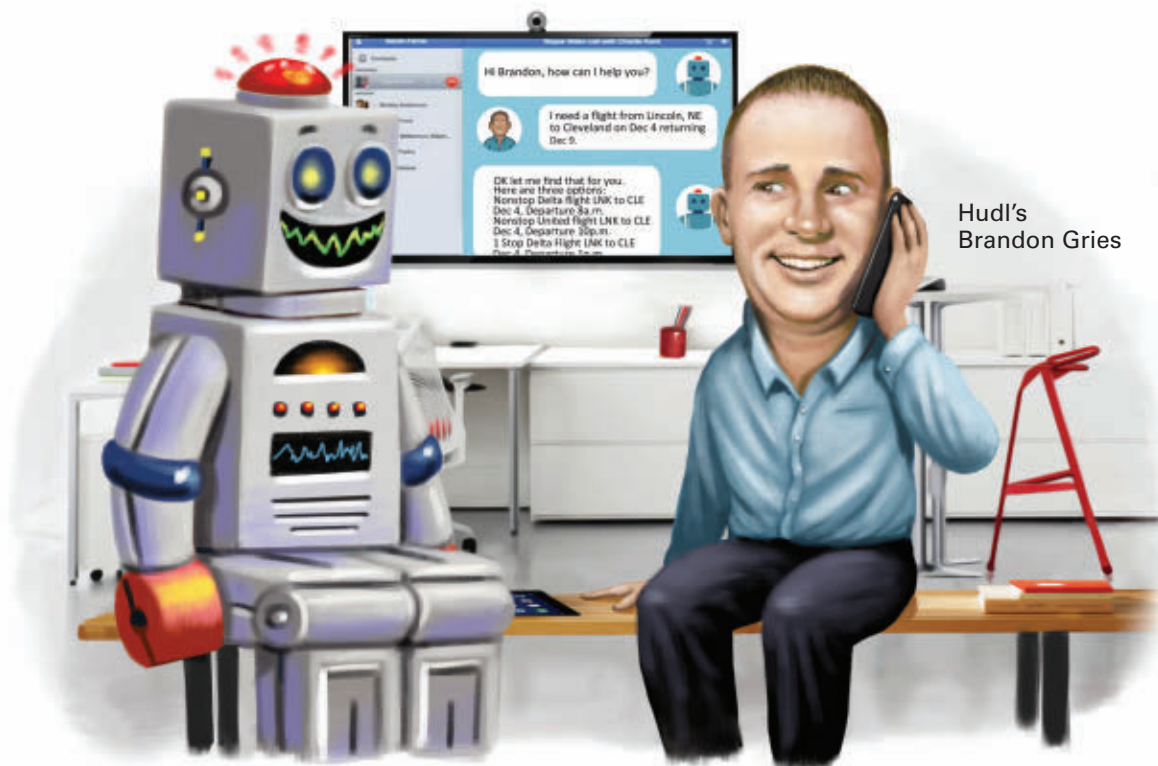
Daimler operates a policy of "one" wherever possible: one travel management company, BCD in 52 countries; one payment provider, AirPlus in 40-plus countries; and "one travel process for all Daimler employees worldwide." Having a global process, Burkhardt explained, is "part of our culture. We do not differentiate if we are working in Stuttgart, Beijing or Tokyo. It's all the same."

This cultural DNA of conformity explains why presenting a single option to travelers can work at Daimler in a way that it might not at other companies (the fact that 80 percent of trips are routine travel between company locations also helps). While the uniformity might sound controlling and as process driven as the

was to gain context. Judging whether a rate reduction of 3 percent is good or bad is difficult without "knowing how the market has developed or the details of what other companies are getting," he said. Burkhardt also prefers to use a specialist because Daimler continues to globalize its customer base. "Our fastest-growing market is China, and we aren't just going to Beijing. We are visiting cities in the middle of the country I have never heard of before. I have no clue about the hotel landscape there, and my procurement guy has no clue, either. In this part of the business, you need experts; otherwise you are lost or it costs you too much internal involvement."

Shedding traditional supplier management duties is therefore liberating Burkhardt to get on with his work of liberating Daimler travelers to get on with their work. This is ultimately why he is confident FiveStar's three-click proposition will prevail. "We believe that having such an easy-to-use process will make our travelers want to use it," he said. "If they follow the company standard, it's the easiest way to travel, and the easiest process will win. We should really jump into this. Then we have an opportunity to conquer the world." ■

## Can Chatbot Travel Solutions Respond to the Demands of Small & Midsize Enterprises?



Hudl's  
Brandon Gries

### SME Insider Talks Shop

TRAVEL MANAGEMENT TOOL USER FRIENDLINESS

HUMAN INTERVENTION IN ARTIFICIAL INTELLIGENCE-BASED SERVICES

SAVINGS REALIZED & POTENTIAL TO SCALE

**Q** How has the trip search and booking process changed since you adopted the chatbot solution?

**Gries:** It doesn't take our travelers as long to book a single trip anymore. Adoption has been a big improvement, as well. [With our prior tools], adoption was about 65 percent to 70 percent, and now we're at about 85 percent to 90 percent. We're going to have a lot more complete data. TripActions also pulls in a better overall inventory from [Expedia] and PriceLine [subsidiaries] than what we were getting [through the traditional TMC]. European travel is still a little bit of a challenge, [but] TripActions now has a separate European product that pulls in more low-cost airlines.

**Q** Have you seen savings?

**Gries:** TripActions' incentive program gives [travelers] a ballpark idea of what the average price should be, and travelers can get rewards if they book cheaper. We've had a lot of hotel costs under \$100 a night, which previously I [rarely] saw. Our average ticket cost in 2016 was \$615; in 2017, we're right around \$400 [for the months we've used the chatbot]. That does not factor in the money we're spending on those incentive rewards that the company pays, but even factoring those in, I'm sure that our overall spend has still improved.

**Q** Have your travelers experienced any annoyances with the automated chatbot?

**Gries:** None of our travelers have voice frustrations in that way. Nobody has specified whether they think or know it's a bot in the beginning because the conversations and messaging come across as very personal.

**Q** Hudl is a fast-growing company. Do you think this solution can scale with you?

**Gries:** I'm pretty confident that they're going to be able to remain the solution to us for a while, even if we continue to grow. ■

Sports video technology startup Hudl has booked trips using Concur and a local travel management company since 2014. With their three-year contract nearing its end, Hudl wanted a replacement that would better suit the startup's techy and Millennial culture. Hudl event and travel coordinator Brandon Gries told BTN associate editor JoAnn DeLuna why he was sold on a chatbot solution after only a 10-minute demo.

**Q** You began looking for a new solution this summer. Were you specifically looking for a chatbot platform?

**Brandon Gries:** Not specifically a chatbot, but that did help. TripActions reached out [to me] prior to the Global Business Travel Association convention in Boston. One of the founders gave me a quick 10-minute demo of the app. We made that move pretty quickly and started using TripActions in August.

**Q** Just like that?

**Gries:** Our other solution was outdated and not very user friendly, especially with our company being a tech company. Our average employee age is around 30 with lots of people just out of college. A group of employees refused to book on Concur: They had tried it once and got an error or it was too slow or they [simply] didn't like it. I needed a tool that was more user friendly that our employees would like and easily adopt. I could tell from the 10 minutes that [the chatbot platform] looked way better and easier.

**Q** What did you like about the Concur/TMC service platform, and does the chatbot fulfill those aspects?

**Gries:** I thought maybe TripActions was too good to be true, so I wanted to make sure that all the other boxes were checked. The actual support we had through our previous travel agent was really good. Also, all the reporting. On Concur, I could get the information I needed, but it did not look very nice and was sometimes difficult to pull. Reporting on TripActions is a lot cleaner and easier to pull up. Concur and our former travel agent did a pretty good job of making sure our travelers were aware of the passport and visa requirements. TripActions does that, [too].

**Q** TripActions says its bots proactively contact travelers with instructions and tutorial links when they sign up and later if they run into booking trouble but that it's not just a bot solution. When do humans get involved?

**Gries:** Sometimes the first response will be automated, and once [the conversation] gets more detailed, more difficult, that's where a live person steps in. A traveler can type, "My flight got delayed. Can I get other options?" Then a live TripActions person would jump on. Probably the two most [common] use cases are changing and canceling a reservation. [Additionally,] as a travel manager, I once reran a report a couple of times because I was trying to look for something specific. Something triggered [TripActions] that I was struggling and the bot sent me a message asking if I needed more help.



## Amex & Visa's Blockchain Tools for B2B Crossborder Payments

The blockchain payments race is on. Payments networks American Express and Visa have partnered with blockchain startups Ripple and Chain, respectively, to offer corporate clients B2B, crossborder, blockchain-enabled payments. Mastercard announced a similar service in October, though it's unclear whether the solution is proprietary or a partnership.

The Amex solution is limited to sending payments from the U.S. to businesses that bank with Santander in the U.K., but Amex said it could expand in the future. Amex's FX International Payments platform has integrated Ripple's payment network RippleNet, which will route noncard payments to Santander. The companies claim transactions will be faster, less expensive and more transparent than existing methods but will remain just as secure. "Transfers that used to take days will be completed in real time, allowing money to move as fast as business today," said Ripple CEO Brad Garlinghouse.

Visa B2B Connect, meanwhile, is in pilot with Commerce Bank in the U.S., Shinhan Bank in South Korea, UnionBank of Philippines and United Overseas Bank in Singapore. Visa similarly claims faster, more transparent and secure B2B payments between participating banks.

Last month, Mastercard filed a patent application with the U.S. Patent and Trademark Office to build a blockchain-based database to process electronic transactions.

### Blockchain's Emergence into Travel

Travel suppliers like Lufthansa and Innfinity Software Systems are moving toward blockchain-based distribution platforms.



**There's an urgency among providers to be the first to implement blockchain technology, with an inkling that whoever does will rule travel payments or at least have an outside opportunity to control its transformation.**

AirPlus has said it's examining blockchain applications for the business travel payment sector. While they admit to blockchain's overall benefits—faster, easier, more secure and less expensive payments—they've mostly dismissed the technology's immediate benefits or value for investment.

But with a major payment network like Amex implementing blockchain in the B2B space, the race among all payments suppliers may accelerate. There's an urgency among providers to be the first to implement blockchain technology, with an inkling that whoever does will rule travel payments or at least have an outside opportunity to control its transformation.

"I think it's just around the corner," said GoldSpring Consulting partner Colleen Black. "The recent announcement by American Express, as well as the one Mastercard made on patenting a blockchain, shows the intention, commitment and investment into further developing payment. It's a good first step. I see blockchain as a great way to transfer funds in a quicker easier, cheaper way, and I think it will revolutionize payment. But, again, it's just the first step." ■

### CONTINUED FROM FRONT PAGE

still is required for plastic cards which don't fall under the exemption," said Diemer. Some corporate travelers have either individual pay corporate cards or even personal cards within the profiles that TMCs use to make bookings. In such cases, said Diemer, SCA will be required in order to complete payment. The same goes for leisure bookings.

Along those lines, Conferma director of strategic relationships Paul Raymond said, "We need to prepare for SCA anyway, so we are looking to see if there is a secure, easy way to do this," he said. AirPlus is creating a working group of card companies, global distribution systems, TMCs and other relevant parties to figure out a mutual approach to SCA. The group will meet in Germany for the first time this month. "The industry needs an industry-wide solution," said Diemer. "We should have one procedure for everyone."

The best option seems to be trusted beneficiaries, better known as whitelisting, by which the customer nominates payees that can bypass SCA. "Even a white list requires technical development," said Diemer, but unhelpfully

vague wording in the European Commission's final regulatory text makes it unclear whether trusted beneficiaries would be permitted for corporate payments. "If it's not allowed, we need to change procedures. There are various ways we can think of, all of which are unhelpful," Diemer added.

Diemer expects the new SCA requirements to drive more European travel

programs toward unequivocally nonconsumer payment mechanisms like lodge cards. Raymond predicted that virtual cards, which are tied to a centrally billed account, will gain the most. "Virtual cards lend themselves more readily to SCA because they are single transactions which can be related to an individual," he said.

The European Parliament and the European Council of member states must confirm the standards, which will take around 18 months to become law. ■

### What Is Strong Customer Authentication & How Does It Apply?

Strong customer authentication is an additional form of verification used to complete a payment, such as a four-digit PIN texted to a cardholder to use to confirm payment. At the beginning of 2017, the European Banking Authority, under direction from the European Commission, produced draft standards for how and in what circumstances SCA must be applied to remote electronic payments. The travel and payment industries argued SCA is incompatible with instruments like lodge cards that have no one-to-one relationship with an individual person. Card companies also contended that fraud rates are much lower for corporate payments, making additional authentication unnecessary.

The European Commission responded in May by drafting Article 17, an exemption for "dedicated corporate payment processes," but the EBA fought hard to scrap it, arguing that not all corporate transactions are low risk and that it's hard to define a "corporate" payment in legal terms.

In the final text, adopted Nov. 27, the commission opted to retain Article 17 but change the wording. The article now begins, "Payment service providers shall be allowed not to apply strong customer authentication, in respect of legal persons initiating electronic payment services through the use of dedicated payment processes or protocols that are only made available to payers who are not consumers." It adds that payment providers must satisfy relevant authorities "that those processes or protocols guarantee at least equivalent levels of security" as defined in PSD2.



# Concur & EY Automate Immigration & Tax Compliance

BY AMON COHEN

Concur and EY have teamed up to give travelers a real-time assessment of their potential tax and immigration law liability each time they book a trip through Concur's online travel tool. According to EY People Advisory Services partner Nick Bacon, travelers book in the normal way but also select the purpose of their trip from a dropdown menu. "The information is logged with Concur and shared with EY [via an application programming interface] and we will throw back an instant analysis," said Bacon.

If EY's platform—called Travel Risk and Compliance, or TRAC—identifies a requirement for a work permit or business visa, EY can initiate and facilitate the relevant application process. Similarly, if the visit triggers a tax liability for the traveler or his or her employer, EY can tee up relevant compliance procedures, such as payroll withholding tax.

Tax compliance for business travelers is becoming an increasingly fraught challenge for multinational corporations. A foreign business trip of as little as one day can oblige an employer to register a traveling employee for tax. Bacon said that while most countries' rules have changed little in recent years, tax authorities have started enforcing those rules far more assiduously. "Traditionally, tax authorities have focused on expatriates," he said. "In more recent years, they have begun to focus on people who maybe travel on business for just a few days and can represent areas of tax-compliance failure. We do see in many countries business travelers as one of the key items on an audit checklist. Tax authorities will be looking for evidence that travelers coming into their country are being properly tracked and reported."

He continued: "It's way more than a theoretical risk. There are some big war stories out there. We have clients who have paid tens of millions of dollars in penalties, fines and unpaid taxes in jurisdictions like New York, the U.K. and Germany." Other countries increasingly cracking down, according to Bacon, are Australia and Canada, "and there's a growing awareness in China and India."

Tax rules affect many business travelers entering the U.S. For visitors from Hong Kong, Singapore, UAE and Brazil, "from Day One the company will need to report your presence and apply for a U.S. Tax Identification Number and apply payroll reporting," Bacon said.

Breaches of tax and immigration laws can also cause companies to fail in their duty of care toward employees, another EY partner, Tracy Wood, told a Concur customer conference in London recently. Wood said there have been cases of people being "stopped on holiday for not having complied with tax law and of not being allowed to enter the U.S. through the usual [Electronic System for Travel Authorization] arrangement."

Given this complex regulatory web—which can include local professional registration for occupations like financial trader—the need for businesses to track where employees are visiting, for how long and why is obvious. Solutions have ranged from the rudimentary, such as monitoring office visitor books, to using online tools like Voyage Manager, originally created for security tracking purposes but which was expanded to cover tax and immigration tracking after a

request from client Xerox.

EY and Concur claim their partnership is the first to offer real-time immigration and tax assessments to business travelers. However, the assessments offered by EY are useless without it having full visibility of all foreign visits by employees, regardless of the booking channel, and probably no company's travelers book 100 percent of trips through Concur.

The alternative for non-Concur users, said Bacon, is to access TRAC directly to enter their itinerary and purpose of trip. "The disadvantage [of not entering the details through Concur] is that the traveler is adding [another] step to the process," said Bacon. His recommendation is to emulate one of EY's major banking clients by configuring TRAC to generate a unique ID that the traveler must quote to obtain expense reimbursement. "That gets everyone's attention," said Bacon. "We have 99.99 percent adherence."

Another solution would be for EY to partner with more travel service providers so travelers only have to perform one-time data entry. However,

**"Traditionally, tax authorities have focused on expatriates. In more recent years they have begun to focus on people who maybe travel on business for just a few days and can represent areas of tax compliance failure."**

—EY'S NICK BACON

Bacon said EY has no partnerships with any travel management companies for offline bookings and no plans to create any. As far as other booking tool providers are concerned, Bacon said the partnership with EY is "exclusive," although he declined to elaborate on the extent to which that exclusivity prevents EY from collaborating with Concur competitors.

Bacon said EY and Concur already are working jointly on two client implementations. Time taken for an implementation, he said, is "typically three months but it can be a lot longer." ■



# Alexa for Business Launches with Corporate Travel “Skills”

BY ELIZABETH WEST

Alexa just landed her first job. Amazon introduced Alexa for Business as an artificial intelligence-powered workplace assistant at the recent Amazon Web Services Reinvent conference. The move takes workplace AI off smartphones and computer screens and gets it into offices and meeting spaces as a voice-activated office guru powered by Amazon Echo.

Alexa’s first order of business is the conference room. Amazon has worked with Polycom and other A/V providers to integrate voice-activated functions that will allow employees to speak requests like “start the meeting” upon which Alexa will call the designated conference line and engage presentation or virtual meeting equipment. But the retail giant also is looking to partners like Microsoft, Splunk and Salesforce to provide additional functionality: what Amazon calls Alexa’s “skills.”

Employees are invited to join the company’s user group and each employee profile can be configured to access certain skills. In addition to existing integrations with Outlook calendar and other common enterprise technologies, businesses can also build unique skills into Alexa based on their needs.

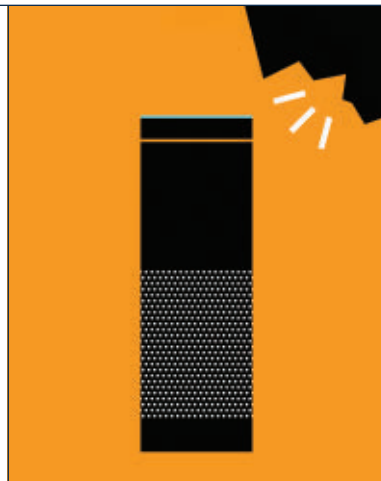
Business travel is among Alexa’s very first skills, courtesy of Concur. According to a blog post by innovation incubator Concur Labs, the company “built an Amazon Alexa skill using Concur APIs so you can ask Alexa about upcoming business trips, flights, hotel bookings and transportation.”

That means a traveler can ask Alexa about when he or she should leave the office to make it to a flight, what the flight number is or the name of and directions to the hotel. To access the Concur information, users must say a specific trigger phrase: “Alexa, ask Concur ...” followed by the request. Alexa then will sort through the traveler’s bookings in the Concur system to retrieve the information. Users link their Concur accounts to Alexa. From there, Alexa recognizes the user’s voice to retrieve their personalized travel information.

Travelers cannot book flights or hotels via Alexa—at least not yet.

And, for now, the functionality is limited to select business users during a beta program. Concur is looking at how to extend Alexa travel skills to more customers through integrations with TripIt and Hipmunk, both of which were acquired technologies that brought both lightly managed and unmanaged travelers into the enterprise T&E company’s orbit.

According to a Concur Labs blog post, this experiment with Alexa represents just an initial foray into machine learning and AI for the company. “There’s a broad spectrum of tools and capabilities to investigate, and this is only the beginning of what machine learning and early artificial intelligence may bring. We’re looking at what’s emerging, what’s relevant, and what’s possible as new technologies, like Alexa for Business, come to market.” ■



## Europcar Bookings on Amazon Echo

Business travelers can now make voice-activated Europcar bookings at their company’s contracted rates on Amazon Echo. Europcar is not the first car rental supplier to use Amazon’s cloud-based Alexa voice service, but corporate and mobility solutions business unit director Marcus Scholz claimed it is the first to appear on Echo Show, the version of Amazon Echo that includes a screen. The screen is used to view multiple-choice options like which vehicle the customer wants within a rental category. It also connects premium customers to Europcar staff by video-call if additional help is needed.

Europcar said there is no need for travelers to log into a website and that reservations will be offered to corporate customers based on their registered profiles and company rental policies. The technology also can handle rebookings and cancellations, while “the integration of chatbots is on the road map for early 2018,” Scholz said. Europcar’s “skill” is initially available on Amazon Echo and Echo Show in Germany, France and the U.K. — Amon Cohen

# Groupize Looks to Live-Book Large Meetings

BY ELIZABETH WEST

“Traditionally, you can book in the GDS up to nine rooms in a single booking; after that it’s considered a group and it goes to a different process,” Groupize founder and CEO Charles de Gaspe Beaubien told the audience at BTN’s recent Strategic Meetings Summit. That’s the technical reason, until now, that the Groupize app could offer its Instant Book option only to groups that required fewer than 10 sleeping rooms and no meeting space. “But we are trying to change the model so the hotel can give you a rate code and they can load the inventory behind it, whether that’s a hundred rooms at that rate code at a static price or a discount-off price for even more rooms, and we’re going to book directly against that code,” he said.

That model is the startup’s vision for a new feature it calls Instant Block. It’s part of a companion feature called Event Booking Pages by which corporate clients build a white-label landing page for an ongoing purpose like recruitment, training meetings, project

teams and special events. De Gaspe Beaubien said the features answer client demand for more efficient processes when it comes to event setup in the Groupize client portal. With event pages, the build-once environment allows clients to tweak settings and configure hotel selections or groups of hotels associated with an event and add Instant Block selections when they’ve negotiated that option with their target properties.

So what size meeting is the limit? De Gaspe Beaubien indicated that the size of the meeting doesn’t matter; it’s really just complexity. “A board meeting for five VIPs? That’s not a simple meeting; that has to be high touch,” he said. “But we are working on a simple meeting for 60,000 attendees right now in the Groupize tool.”

While the new features won’t be a fit for every type of user, de Gaspe Beaubien noted: “We have a client that is producing 100 meetings a week, all with real-time

booking to Concur. They are using Event Booking Pages and Instant Block to gain efficiencies in their processes” by not having to start event setups from scratch and by not having to exchange manual rooming lists with their host properties.

While the Strategic Meetings Summit audience met the concept with a warm reception, hotels have a rocky track record of loading the correct inventory and rate codes into the GDS. One audience member asked how that process had been going on the supply side and whether the hotel community, in general, had taken well to the idea. De Gaspe Beaubien admitted the process was new and that he would have to take a wait-and-see approach. As an interim indicator, however, he pointed to a pair of clients that had enough confidence in the model to push more than \$150 million worth of meetings business combined through the new system. Along with the new technology features, Groupize also has integrated ghost card and virtual card capabilities into the Groupize platform.

Earlier this year, Groupize established a tight, two-way integration with Concur Travel and expects to gain a client windfall when Concur shuts Concur Meetings on Jan. 1. ■

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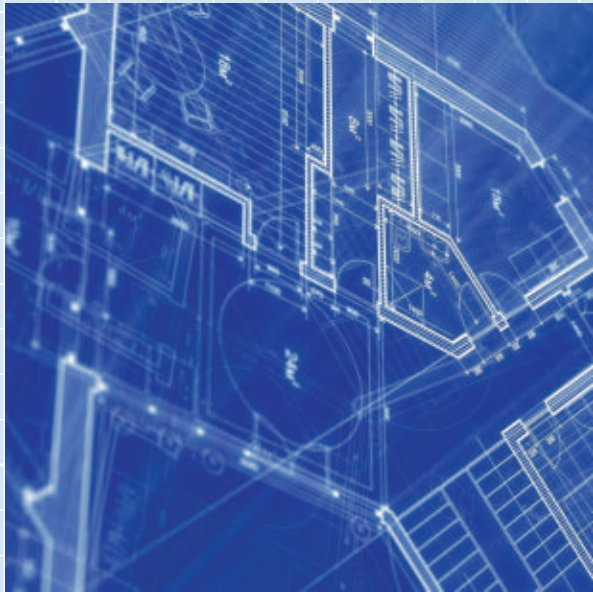
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## Factoring Travel Risk into Trip Approvals

BY MATTHEW JUDGE



Matthew Judge is group managing director of risk management company The Anvil Group

Now that duty of care is high on the corporate agenda, trip-approval systems need to factor it in. Focusing purely on the budget aspects of corporate travel could put business travelers and, in turn, their organizations at serious risk.

Plus, a risk-based trip-approval system can do far more than just accept or reject trips. It can:

- Capture trips to high-risk zones and alert the necessary stakeholders, who then can direct a trip to be canceled or rescheduled; approve the trip but only with additional support, security and training; or take some other course of action
- Ensure the correct workflow of approval by the relevant individuals
- Act as an audit trail, allowing corporates to demonstrate their fulfilment of duty of care

Budgets that are set at the beginning of the year can be tied into travel policy guidelines, and similarly, companies can define risk policies in order to give corporate travelers and travel managers guidance. However, the risk landscape can change on a daily or even hourly basis. You can't set risk levels for every global region and expect them to remain static for a whole 12 months.

Even countries deemed low risk can fall prey to dynamic threats like attacks and natural catastrophes with scant notice. Within any country, region or area, risks may also vary considerably.

**Trip-approval systems are designed primarily to manage tight travel budgets, but there is a way for them to accommodate risk management without causing administrative overload.**

Under duty of care and health and safety legislation, it can be illegal to put the onus on the individual business traveler to take a view on the complex global risk landscape armed only with the company travel policy and a list of approved safe areas. Organizations have a duty not just to set clear policies for employees and others who are traveling on company business under their care but to do due diligence to mitigate risk prior to travel.

### But Trip Approvals Are Such an Admin Burden

In order for a trip-approval system that factors in risk management to work, it must be as easy as possible for both the traveler and the travel approver, with high levels of automation.

The ideal solution automatically will cross-match trip details against dynamic risk data from a reliable risk management platform. A trip to a higher-risk area would trigger an alert to the relevant manager.

Managers then could approve, reject or request changes based on organizational policies and other mitigating factors. For approved trips, the company could brief the traveler on additional precautions or order pre-trip training. Trips booked to lower-risk areas would pass through the approval system automatically, freeing approvers' time to focus on the higher-risk exceptions.

### Pre- or Post-Booking Trip Approval?

Some companies require trip approvals to occur pre-booking in order to avoid potential cancellation fees. However, pre-booking travel authorization can be painful for the traveler and laborious for travel and security managers, adding administration and potential delays, all of which have their own cost implications.

The post-booking approach, though, doesn't hold up the process, but the downside is that a booked trip must be canceled if it is not approved. In reality, though, the number of trips needing to be canceled or amended is extremely low.

The post-booking method also allows for far greater automation. By connecting directly with global distribution systems, a post-booking trip-approval tool can pick up a traveler's trip data without any additional data entry by the traveler. It also ensures that the approval is based on actual booking data, providing far greater accuracy and far less likelihood that details will change.

Ultimately, the pre- versus post-booking authorization decision will depend on the type and size of the individual organization. Based on internal studies with Anvil clients, the post-booking method does appear to be more effective for larger organizations.

Regardless, one thing is clear: While budget control will certainly continue to be critical for business travel, the security of people is a fundamental component of operational resilience, and risk assessment and mitigation must be key elements in any travel-authorization process. ■



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