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BUSINESS TRAVEL NEWS

November 4, 2019

BUSINESS TRAVEL STAKEHOLDERS


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STAKEHOLDERS

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Best regards,

A handwritten signature in black ink that reads "Sandra Taylor".

Sandra Taylor
Senior Director Worldwide Sales, Corporate Travel Marketing
Best Western® Hotels and Resorts



Dear Reader,

Corporate travel is about so much more than getting from point A to point B. It is a unique category which is increasingly challenging to manage as the travel industry evolves. It is a corporate function that is intensely personal for employees, and is affected by their individual preferences for everything from seats, to hotel rooms, to restaurants. It has an impact on dozens of critical parts of the business.

Managing travel well means meeting the needs of two critical audiences: finance leaders and travel managers. Travel managers need increased speed, simplicity, and compliance across the process, while financial decision makers need to make sure every dollar of their travel budget is spent wisely.

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We hope you enjoy this special issue.

Sincerely,

A handwritten signature in black ink that reads "Doug Anderson".

Doug Anderson
Senior Vice President, Travel Product Strategy
SAP Concur

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Dear Travel Industry Partners,

In the ever-evolving world of business travel, it's always exciting when we get to embark on a path that will set the stage for the next chapter in the industry. Throughout my professional career, there's been no greater milestone than the one we're taking on as we begin our next phase

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Sincerely,

Dave Harvey
Vice President
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What's in It for Me?

About three years ago, UBS's travel program did something drastic. The group stopped sending reports to stakeholders. For two months, zero reports. Of the business unit managers and the executives who had been on the recipient list, "only about 30 percent came back and said, 'Where's my report?'" noted global travel head Mark Cuschieri. "It spoke volumes. We're sending all of these reports. We think that's driving value, but actually, no one's looking at them."

Buried in that statement is the key to stakeholder relationships: "value." Siemens director of mobility services for the Americas Steven Schoen framed the concept using a sales and marketing foundational principle: what's in it for me? Or WIIFM. It's a simple idea but one worth the reminder as busy travel teams get lost in patterned processes and rote report-running on travel spend. Simply put, if the report isn't helping the recipient achieve his or her goals, why would he or she look at it? And why would you send it?

UBS' exercise in silence "really got us to understand that what we're providing doesn't meet the business needs, and therefore, it's about value," Cuschieri said. "What does the business need? Do they really need it? Challenging [ourselves]: Why do we provide something? What value does it provide?"

DATA AT THE FOUNDATION

The UBS travel program's strategy rests on three pillars. First is data. "We were very reliant on static reporting previously, heavily reliant on our travel management data," Cuschieri said. He wanted a more holistic view and went to market for a global data warehouse and data report-

ing platform, eventually selecting PredictX. "We didn't want to select just a travel management company to do that for us. We were looking more for expertise in data than we were in subject matter. We have a team with deep subject matter expertise; they can interpret data. The slicing and dicing in a very intuitive way is what we wanted." PredictX takes in multiple data sources: global distribution system data, travel agency-booked data, supplier data, card data, expense data and some general ledger data.

At the same time, UBS has been standardizing 80 percent of its processes globally. That's come with pain and compromise, Cuschieri said, but it means that the company can plug and play systems and tools more quickly and effectively. UBS also has consolidated to a single global booking tool, and following a global competitive tender is consolidating all 56 markets to a global TMC. Those consolidations will further streamline the data coming into its reporting platform.

WHAT DATA STAKEHOLDERS WANT

The UBS travel team's second pillar is demand: What data will most help a given stakeholder. UBS and its stakeholders are focused on cost savings. With a single repository for multiple sources of data, "we can now provide global, holistic T&E data which measures the cost and can also measure behavior and the demand—and at real time," Cuschieri said. "Our stakeholders were asking: 'Well, it's good to know what we've done. That's great, but what I really want to know is: What am I doing now and what is it I'm going to be doing in the future and how can I change that if I'm going off plan?'" Rather than reporting travel spend post-trip, UBS now

"Sometimes we think we're delivering reports that are meaningful for the business, but you have to consider the recipients. ... Who are you sending it to? What do they need to know? What's in it for them? What are you trying to drive? What action are you trying to deliver?"

UBS' Mark Cuschieri

provides T&E spend on a close-to-real-time basis.

Previously, standard reporting toward the end of the third quarter showed which units were on pace to go over their T&E budgets. "By the time you've received that communication, by the time you've disseminated that across the business, it's already December," Cuschieri said. "It's too late to do anything. Now, how about if I aim for my business managers and budget holders [to hear] in April, let's say, that you're going off plan. If I tell someone that in April, they have time to change direction. They have time to implement specific tactical or strategic measures to bring them back in line."

Siemens' Schoen, meanwhile, finds that the information stakeholders find valuable narrows moving up the hierarchy. The C-suite wants to preserve assets. That means financial assets but also, in terms of the travel program, human assets, i.e., the safety of travelers. "Everything fell into those very defined buckets" of duty of care and demand or cost management: simple data on how much the company is spending on travel, the spending trends, what it's being spent on, the waste and the opportunity.

Any other noise—the C-suite wants that stripped away. Travelers, meanwhile, want good choices available at prices that create value for their companies. Thus, stakeholders between travelers and the C-suite—departments like HR and procurement—need a little of both arrays, Schoen said.

SHARING THE DATA

Third in the UBS travel program's strategy is distribution: disseminating the reporting to each stakeholder in the way that will



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most impact that stakeholder. The Siemens C-suite's narrowly defined focus makes Schoen's twice-a-year reporting meetings with those executives easy. "I can get through one of those meetings, believe it or not—for travel, fleet, meetings, events and payment solutions—in 45 minutes." If the C-suite wants to know, "What's in it for the company?" stakeholders elsewhere in the company are more likely to ask, "What's in it for me?" These stakeholders ask the travel team more questions. "As you go farther down the food chain, it's really more about facilitating" in order to get travelers where they need to go when they need to get there and doing so cost-effectively and safely.

That's why UBS gives those stakeholders self-serve power: It provides dashboard access to between 250 and 300 stakeholders who can dig into all those standard stats the travel team used to send around. That frees up time for the travel team to develop quarterly summaries of regional spend and behavior for executives. That Travel Insights report goes out quarterly and tells a story, leaning on graphics and using PredictX's natural language processing for the minimal text required. "We try to keep it short and simple and striking," Cuschieri said. "That's really important. It's the only way to engage people." In addition to charts, UBS also employs color-coded risk levels. Amber might mean a division is at risk of going over its budget, for example, while red indicates it certainly will overstep.

The UBS travel team also meets with each business unit quarterly in what Cuschieri calls Category Councils to review costs, strategy, sourcing and upcoming initiatives. UBS monitors standard traveler behavior key performance indicators, such as requirements to book travel a certain amount of

THE SPRAWLING WEB OF TRAVEL MANAGEMENT STAKEHOLDERS

BCD Travel research director Miriam Moscovici traces the history of where travel managers have lived. First, it was the CEO's office, then HR, then operations and more recently procurement, as cost-savings became a travel management priority. Now, all of those former hosts are stakeholders, she said.

To boot, travel manager responsibilities are disbursing to other departments, creating even more stakeholders. Duty of care often belongs to the safety and security department, DigiTravel managing partner Susan Lichtenstein said, though increasing adoption of technology that can capture off-channel bookings is automating the traveler tracking piece. Such open booking also enables travelers to take advantage of the cheapest fares wherever they find them, a boon to the procurement stakeholder. Evolving payment technology, meanwhile, is reducing the need for expense reporting, reconciliation and reporting, and travel teams can work with finance departments on such projects to the benefit of finance staffers and travelers.

IT and engineers, meanwhile, handle digitization and integrations, from off-channel booking capture tools to expense systems to price assurance tools and beyond. "Travel managers will now be able to build an [end-to-end] digital process with their internal IT teams and focus on the behavior and experiences of the travelers," said Lichtenstein. "This will uplift their programs to their CPO and CFO."

Travel managers also can support IT's own mission, to serve employees, Moscovici said, by voicing travelers' unique needs. Travel managers are best positioned to communicate with IT about getting larger laptop batteries for road warriors, for example. And IT and risk departments no doubt would like to hear to which countries travelers are taking the companies' laptops.

THE STAKEHOLDER OF THE MOMENT

At the moment, HR is the stakeholder best positioned to reflect travel management's value back to the company, Lichtenstein noted. Corporations are competing to hire and retain talent, and travel is a big influencer on the employee experience. Moscovici noted that travel also can inform other HR concerns, such as sexual harassment—for example, suggesting a meetings venue sourcing policy against hotels with hot tubs. Travel managers also can liaise between HR and suppliers to advance HR priorities. Hotel choices, for example, can have a big impact on wellness, she pointed out.

DREAMS OF THE FUTURE

Hogan Lovells global travel manager David McDonald also sees travel managers as the link between supplier and internal stakeholders. He thinks of the travel manager more as a gatekeeper, though, who can present supplier options upstream to the internal stakeholders who have budgetary approval. But what if travel managers could steer rather than block, he wonders. He envisions a steering committee in which the travel manager is the bus driver and suppliers and their internal counterparts, the travel team's stakeholders, share seats behind them. After CEOs shake hands on a deal, they often leave their lawyers together to work out the details. What if, similarly, a supplier's engineers sat at the same table as the client's IT team, if the supplier's marketing team worked side by side with the company's marketers, if sales from each side were present? McDonald knows it's a fantasy, but he likes to dream of the obstacles that would fall away and the innovative ideas and functional road maps that would result from gathering likeminded people who share the same language together.

Moscovici, meanwhile, envisions travel managers elevated to the level of strategic partner for the C-suite and for business unit managers. Travel managers not only can help cut costs and boost the company's ability to hire and retain talent, she said, but also help salespeople close deals.

time before the trip, and can call out those travelers who aren't meeting the requirement. "Where we've put a measurement in place, we proactively report on those measurements," Cuschieri said. However, each business division also has different needs, he noted.

"Do they want to really just scrutinize their top travelers and what they're spending? Do they want to see travel and expense? Do they want to see all of it? Do they just want to concentrate on behavior?" The UBS travel team's air leader, hotel leader and—yes—travel data analytics leader attend the Category Councils, and all of them can dig into discussions on the data.

MOVING TARGETS

So you've figured out what all your stakeholders want to know, and you're providing reporting in a way that best serves each stakeholder. The job, however, is not done. What works this year may not work next year.

UBS's regular Category Council meetings clue the company's travel team into changes within a business unit that might affect that unit's priorities and thus its reporting needs. Schoen's team similarly went through listening exercises with stakeholders to identify gaps in the reporting. "You've got to keep looking at it through their lens because people might not realize their needs have changed," he said.

More recently, Cuschieri said, UBS has been bringing all the division managers together for its Category Councils. "In the T&E space, getting everyone together is much, much more informative. It sparks debate, best practices, as well. One division may be improving in certain metrics rather than another. It's about idea generation, as well."

Before Siemens began an

ongoing reorganization, the travel team had been reporting trip purposes and spend ratios, the percentage of revenue going toward T&E. For years, Schoen said, the C-suite would say, "This is really interesting. Thank you very much," and put the metrics aside. Schoen might show that spend for internal meetings was higher than the industry average, for example, but the company would reply that its business was different. Fine, Schoen thought. He'd done his job by providing trusted and actionable data. But then, last year, Siemens' CEO and CFO launched an initiative to reduce T&E 25 percent, primarily by reducing travel for internal meetings.

All of a sudden, the rest of the C-Suite was "devouring" those stats, he said. "I was sending metrics to them every month instead of twice a year because they wanted it. No different than the data I sent them the year before. No different, but they didn't really have a reason to focus on it. ... It wasn't as much of a priority as when they got a directive to cut back on meetings for internal travel."

But not every business' priority is cost. "It really depends upon what the focus is at the time," Schoen said. "You've got a lot of businesses out there right now who are struggling to fill open positions for skilled people. There is real competition to attract and retain talent. ... A person in that C-suite ... might be more focused on 'Do what we need to get talent in here.'"

Not only can stakeholders' needs change, but the data the travel team can provide is evolving. Cuschieri is looking at what else the UBS team can bring to the table through data. Having transformed UBS' reporting from post-trip to real time, he intends to use predictive analytics to forecast spend and behavior, as well. He also hopes to bring in other data sources, such as

"You've got a lot of businesses out there right now who are struggling to fill open positions for skilled people. There is real competition to attract and retain talent. ... A person in that C-suite ... might be more focused on 'Do what we need to get talent in here.'"

**Siemens'
Steven Schoen**

airlines' on-time performances, to drive traveler behavior on flight choices. Or, capitalizing on the single global booking tool, deliver policy when it is relevant at time of booking to drive the right behavior throughout the traveler journey and use machine learning to provide traveler recommendations and steer right behavior.

It used to be hard to corral data from multiple sources for use together, he said. Now, "whenever we work with a new partner, what we always look at is: 'OK, now how can we impart that data source into our platform?'"

Ultimately, engaging stakeholders fruitfully makes change management far easier, Cuschieri said. With reporting that anticipates what each stakeholder wants to know, "we are seen by the business as a trusted business advisor," he said. The transparency and visibility have enabled UBS business units to lower their costs without implementing more restrictive measures. Cuschieri said T&E is down year over year by a double-digit percentage.

"We now have data at our fingertips that allows us to really inform the business when things are going in a wrong direction and when things are going in the right direction," he said. "We provide the right information at the right time so people make the right decisions. We are focusing much more on pretrip reporting, less on post-trip. The recent introduction of predictive analytics around forecasting is all about the pursuit for continuous improvement. It has really helped people to change behavior, and it's made a significant contribution to reducing the cost of travel."

Schoen similarly noted, "You've got to build their respect, got to build credibility. You can have the best data in the world, and if they don't trust you, it doesn't matter." ■

CEO View: Align Travel with Business Strategy

What does travel contribute to business strategy? That's the question travel managers need to ask themselves as they approach the most senior leadership in their organizations. Aside from that, nothing matters. As easy as that sounds, it isn't.

VIEW FROM THE TOP

The partners, presidents and chief executives BTN spoke to instinctively viewed travel as a business enabler.

"Travel is definitely viewed as an investment as opposed to a cost," said chief executive of health and wellness startup Rendle Hans Roderich, who previously spent 10 years at venture capital firms in chief operating and chief finance roles. "Despite the emergence of great technologies, face-to-face encounters are important for establishing relationships. Tech is a great adjunct, and it's important when talking about a sustained business relationship. But nothing can replace in-person meetings to build trust."

Though Roderich leads a small startup, his perspective on travel as an integral business tool is magnified in the voice of Boston Consulting Group partner and global head of infrastructure Kathryn Bell. She spoke to BTN about the importance of traveling to meet clients and business partners, but also the critical nature of internal travel to build the firm's expertise and bring collaboration partners together.

"Being with our clients is a really important aspect of our business," said Bell. "BCG is a relationship business and whilst, of course, we can do some of that over video and phone, being with our clients the moment they need us is a fundamental element [of our business] and what stands us out from many players in our field. There is also an aspect of travel that is about getting

people together to share and develop expertise, so they can bring it to bear the moment it is required. That also makes travel absolutely core to our business."

Even so, that doesn't mean CEOs and senior partners immediately connect the dots between travel and specific corporate strategies. That's the travel manager's job, if they choose to take it.

BE AN EXPERT

Establishing strategic connections with leaders comes down to credibility and delivering laser-focused information, said BCG global head of travel Gehan Colliander.

"Why would senior leaders listen if you present something that is neither actionable for them nor critical, nor urgent?" she asked rhetorically. To engage, travel managers have to become experts in the business of travel and then match that business to the organization's strategy.

"A big issue in our industry is that we are still looking at [travel management] as a transactional function. Travel managers often are totally unaware of the environment outside [their industry] as well as their own [business] environment internally," said Colliander. She encouraged travel managers to leave that transactional mindset behind. "Understand your role as an expert in the industry: You have to be an expert in revenue management ... an expert in technology and digital transformation ... an expert in service and operations," she said. If travel managers can combine that expertise with a strategic view of their company's business "and act as if you are running the business, you will define a program that enables your organization to succeed."

BUSINESS GROWTH & ENABLEMENT

Travel is so central to BCG's culture

that travel data, policy and technology decisions are regularly presented to an executive leadership team. Plus, Colliander has access to senior leaders on an informal basis. Bell described Colliander as "very well connected" in the organization. She is often the first to know when business growth is on the horizon because new office or project locations require travel enablement.

"We need to understand where our travelers are going and be one step ahead of them," said Bell. "Being aware of the constantly changing business dynamics, the different business units we have in the firm, the different price points that those [units] may have and who may need to be traveling where and when is core to the travel manager. We need travel to be ready as the business enabler we expect it to be."

Colliander's access is a sign of BCG's travel program maturity. Fundamentals like policy, travel management company consolidation and supplier relationships are global and fully operational. The business relies on her to pull the right levers to accomplish goals. Cost savings is no longer the program's main objective; minimizing productivity drag is clearly top of mind as is a quality experience for frequent travelers. That's become common for well-controlled programs.

S&P Global travel and events manager Ann Dery said her senior leadership wants digitization, automation and simplification for travelers, in addition to cost control. Accenture global mobility strategic partnership lead Cindy Neuenschwander said her leaders were "looking for innovation." Driving toward digital ecosystems streamlines processes for travelers but also generates booking and behavioral data needed to guide the business. "These are super bright people," said Dery. "The C-suite needs analytics that are actionable."

3 TAKE-AWAYS

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SWABIZ®, our free corporate booking tool, has received both functional and visual overhauls to help Customers better manage business travel. With recent upgrades, the site has become a one-stop shopping experience with air, car, and hotel booking functions. We also introduced new reporting tools to help manage bookings, administer unused funds, and monitor expenses. SWABIZ offers the same ease of booking for travelers, with back-end tools that empower corporate traveler managers to be in control of their organization's travel program.



Managed Partnerships

If your travel program requires more engagement and hands-on service, Southwest Business has a growing Team of dedicated experts available to discuss all of the options and services available. Our Team-selling approach means that our partners have access to not only a dedicated Account Manager, but resources focused on implementation, traveler engagement, analytics, Customer Service, and TMC-relations.

To expand our channel of choice strategy, Southwest Business will become industry-standard with the highest level of participation* in Travelport and Amadeus Global Distribution Systems in 2020. With our new level of participation, travel managers will have the ability to book, ticket, change, cancel, and modify reservations, all at their fingertips. We're also investing in new Direct Connect/API channels and have expanded our partnership with ATPCO and SITA by connecting our API via the NDC Exchange platform. This will provide the opportunity to connect content to more booking tools on behalf of your Customers and will offer our award-winning Hospitality to more corporate travelers.

Our new suite of services for travel managers, their TMCs, and the business traveler are focused on removing friction and enhancing the business travel experience at Southwest Airlines. We look forward to working with you and making it easier for you to choose Southwest for your business travel needs.

*Participation means capabilities available to business travel agencies.

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THE FIGHT FOR TALENT

The tight labor market has become a challenge for many companies. SAP Concur president Jim Lucier cited talent recruitment and retention among his top concerns during The Beat Live conference last month, and it's a refrain echoing through the corridors of numerous business sectors—consulting, finance, healthcare and technology, just to list a few.

"Recruitment is huge for EY," said global head of travel, meetings and events Karen Hutchings, whose quarterly audience with EY's most senior leadership, she said, has driven purpose through the company's travel program. "People join organizations based on the experiences they expect to get there, so our travel program has to reflect that. We not only need to support their well-being, but we also need to provide social networks and enable them to meet up with other travelers while on the road. We've created gamification around donating to charity through the travel program and enabling employees to give back. With all these, the travel program becomes more than a cost management tool; it opens the doors to senior leadership and relates to the objectives of the organization."

Smaller companies, too, are fighting for the best workers, and even without mature program infrastructure, travel policies become a sticking point, said Roderich. "Nothing [frustrates] employees more than a dumb travel policy," he said. "Organizations run very lean these days, and we put more burdens on employees than we did in the past. There are fewer executive assistant roles to arrange travel and other tasks. As employees take on more, travel policies mean more. We have to be clear that employees' private lives matter and make travel less burdensome, otherwise employees are turned off."

DEMAND MANAGEMENT

The focus on employee satisfaction doesn't mean travel programs are immune from cost-savings directives coming down from the CEO. When senior leaders at German industrial manufacturing and automation giant Siemens pushed an initiative in 2018

to reduce internal travel, the focus on travel data changed dramatically. "I had been presenting the same data twice a year for a long time," said Siemens senior director of mobility services for the Americas Steven Schoen. "It was good data, and [the C-suite] found it interesting. But when the focus changed, it was great data. They couldn't get enough."

It's worth noting that the Siemens directive was to reduce travel. Cuts into travel experience and downgrading services are unlikely to be the first target for senior executives. "We aren't going to change our policy to drive spend," said Aon global travel director Hillary Dallas, emphasizing that Aon travelers need to arrive ready to perform. "Our leadership wants to know if the trip is necessary—the first job is to manage demand."

That approach resonated with several senior travel leaders who spoke to BTN. "Especially in a mature program, there's not a lot of blood left in the stone," said EAB VP of business solutions Steven Mandelbaum. "Every cut there is painful, and I haven't seen leaders have a real appetite for that."

"We had a pretty big push for savings levers this year," said Dallas. "We put recommendations forward; one was around class of service. It presented \$8 million to \$10 million in savings, but we also provided guidance on what our peer set was doing. Our leaders turned it down because of the concern of people leaving. Anything that affected experience was turned down."

Demand management isn't always about reducing travel, noted Roderich. "Companies I work with tend to look at travel spend relative to business generation. There's a high correlation there. If you compare across peer groups and the revenue is low, you can also look at their travel volume. Maybe they're not traveling enough."

ANALYSTS, SHAREHOLDERS & BEYOND

When it comes to thinking strategically about how senior leaders consume travel data, ITW global travel and expense director Cathy Sharpe has a simple rule of thumb. "Consider whether the data can be repeated to analysts," she said. That's an astute observation because earnings calls, shareholder meetings

and other high-level conclaves tend to crystalize an organization's priorities. Competition is a key interest.

"There are three other companies like ITW. The most critical questions from our senior leadership are about how we benchmark against those," said Sharpe. Other themes, she said, included digitization, simplification and sustainability. The latter was a thread running through many travel departments as CEOs have begun to place social, political and environmental issues among their business pillars.

JPMorgan Chase CEO Jamie Dimon leads the Business Roundtable, a powerful group of CEOs from some of the largest companies in the world, including Amazon, Bank of New York Mellon, BlackRock, Goldman Sachs and many others. After months of making various comments as individual company leaders on the role of corporations in communities and society, the group issued a joint statement in August. As a group, they were abandoning the view that investor interests come first. Rather, they argued, companies must broaden the scope of accountability to all stakeholders, including employees, customers, shareholders and society at large. "While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders," the group said in the statement.

As a CEO, himself, Roderich saw travel management figuring into this movement in several ways: from employee well-being to carbon footprint. "We are just at the beginning of this in the U.S. It's more of the European model, but I believe we will start to see it evolve," he said.

Senior travel managers—several among the Business Roundtable companies—said they were feeling the effects already, particularly on environmental impact, which is considerable with travel. "Sustainability is huge from the top down," said one. "We have to be fully ready," said another. "To get federal business outside the U.S., companies have to be very focused on sustainability because it will mean winning or losing." — *Additional reporting by Amon Cohen*

"Why would senior leaders listen if you present something that is neither actionable for them nor critical nor urgent?"

Boston Consulting Group's Gehan Colliander

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Finance Execs See Beyond Cost Savings

Ask a longtime travel buyer about the relationship between the travel and finance departments, and many will think back to the 1990s demise of base airline commissions, which transformed corporate travel from a revenue generator to a cost center and, in effect, to a commodity subject to the same cost scrutiny as office supplies and other durable goods.

They might also call to memory the Great Recession of 2008, when travel took center stage as a primary scapegoat of wasteful spending in tough economic times. “Businesses worldwide responded quickly with sweeping cuts and drastic policies targeting T&E budgets,” recalled a 2019 Harvard Business Review report, Safeguarding Travel Culture Through Data-Driven Insights. “Business travel slowed, client dinners were de-emphasized and customer outings diminished.”

Since those days, however, changes have been brewing. Some of that is due to increased efforts for collaboration and awareness from the travel industry. At the same time, the finance field is undergoing its own shift, which could mean a less antagonistic relationship between travel and finance when the next recession inevitably arrives.

PRIORITIES BEYOND SAVINGS

Cost isn't always the first word out of finance executives' mouths when asked about their biggest travel program concerns. “Safety and compliance are

the two main areas,” said Brett Cragun, finance manager for The Church of Jesus Christ of Latter-day Saints, which is among the BTN Corporate Travel 100 largest programs in terms of U.S.-booked air volume. “When you look from a finance perspective, we want to ensure people are traveling within policy and within the guidelines that are set for using approved vendors and going through our system so they can be booked through our contracts.”

Steve Isom—VP of finance at software firm Flywheel, which has a much smaller travel program and about 215 total employees—said experience is a bigger focus than savings. “I want travel to be as good of an experience for the employee as possible. We spend quite a bit of money to fly all of these people into town for all company events, and it's a major expense, so we want to make sure that we are getting the credit for what we are doing.”

Before Isom became more directly involved with travel, he saw the goal more as “keeping expenses as low as possible.” He also thought incentivizing employees by passing some savings back—if they take cheaper, indirect flights, for example—was a good path. Over time, he thought more about overall service to employees. A company wouldn't issue employees the cheapest available laptops or monitors, for example, but rather models that fulfill their needs.

“You realize it's leading to a bad experience for employees. If you have someone fly in from Spain and tell them they need to do a six-hour layover at Heathrow to save \$400 rather than get them to Omaha quicker so they can start

fighting the jet lag, it's harder for them to be able to do the work that comes up. You have to think about it more strategically than just cost.”

Ann Dery, global corporate travel and meetings operations and procurement manager for S&P Global, has seen an “evolution” in her experience working with finance in recent years. Dery herself reports to procurement, which rolls up into finance. At S&P Global, finance does not “put a tremendous amount of emphasis on just savings.” Instead, it looks to balance service-delivery quality and savings, she said. “Finance now understands that travel is not just your typical commodity,” Dery said. “It's really more so a service, and that has to be based on something beyond the transaction fee.”

That's a natural progression as programs get more mature, she said. In the first few years after a program is introduced, it can report tremendous savings, but those savings will diminish over time. At the same time, buyers who constantly battle with their suppliers to achieve more savings risk harming their relationships. Pricing for travel, meanwhile, is becoming increasingly dynamic, which makes savings calculations even more difficult. “I don't think most large companies are focusing on [savings] these days, and if they are, they are missing the point of supplier relationship management,” Dery said.

OPPORTUNITIES FOR COLLABORATION

Even when savings is not driving the travel conversation,

3 TAKE-AWAYS

Finance's focus is shifting from cost to a more strategic value proposition that adds safety, productivity and quality to the balance.

Finance doesn't have to be a travel rule maker but rather a collaborator.

A partnership dynamic could sustain through a recession, when companies should be thinking strategically.

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Growth and evolution are hallmarks of Best Western Hotels & Resorts, but before expanding the brand's portfolio, it was important to ensure the core products had a quality foundation. In 2015, hotel owners committed to investing \$2 billion in property improvements and renovations, revealing a suite of revitalized brands, including Best Western®, Best Western Plus® and Best Western Premier® hotels. And this investment has been well-received by guests, earning Best Western Premier the #1 spot in the upscale segment in the J.D. Power 2019 North America Hotel Guest Satisfaction Study.

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With this groundwork in place, Best Western Hotels & Resorts was able to take the next step in this journey of transformation with an expansion of the company's brand portfolio. To provide even more options for the evolving needs and preferences of today's travelers, four new boutique brands were launched: Vib®, GLō®, Sadie® and Aiden®. These fresh and exciting additions play a critical role in contemporizing Best Western Hotels & Resorts and expanding its reach from economy to upscale with unique boutique offerings.

Additionally, through Executive Residency by Best Western® brand and SureStay® Hotel Group, the company has also established itself as a major player in the upper midscale extended stay and premium economy segments. Executive Residency by Best Western offers an exceptional longer-term stay experience with studios and suites featuring the modern comforts of home.



SureStay Hotel Group launched in late 2016 and is already celebrating nearly 300 properties globally, making it one of the fastest growing brands in the hotel industry today. Moreover, the recent expansion of SureStay Hotel Group with the launch of SureStay StudioSM will provide additional options in the premium-economy extended stay segment.

Another significant step in the company's evolution was the 2019 acquisition of WorldHotels® Collection, a collection of approximately 300 unique hotels and resorts in premier destinations around the world in the upper upscale and luxury segments. The acquisition is a testament to Best Western Hotels & Resorts' commitment to growth, modernization and continued progression.

The BWH Hotel Group Portfolio Today

The three standout companies—WorldHotels Collection, Best Western Hotels & Resorts and SureStay® Hotel Group—are now together under one umbrella, known collectively as BWH Hotel GroupSM. BWH Hotel Group's portfolio includes hotel options in every market segment—from economy to luxury, creating a leading global hospitality network of 17 brands and 4,700 hotels in over 100 countries and territories.

As Best Western Hotels & Resorts' amazing journey moves forward, the brand will continue to meet the evolving needs of travelers with the same commitment to quality, service and value that guests have come to expect over the last 70 years.



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finance departments can be hands-on and frequently want direct access to travel data.

Cragun said one of his finance team members specializes in data and the business intelligence tools the church uses. They work together to determine what metrics they want to see. The team is most interested in trends and external benchmarks to see how the church compares with other organizations, he said.

In recent years, the church's travel team developed a metric that factors the quality of an airline's service into cost, showing what the team calls "quality cost per mile," which is more meaningful than the standard cost per mile. As with any initiative at the church, the finance team played a part of that development, global travel manager Nanette Sorensen said. "The finance team is very involved in being a part of our processes within travel. We are counseling together a lot on process improvement. If Brett's team sees a trend, we come together as a team to see how we can solve it, and any strategy is a shared strategy."

In that collaboration, finance is not so much a gatekeeper, telling the travel team what it cannot do, she said. Rather, it's a counselor, showing the right way of doing things within the organization. Travel and finance recently collaborated to reduce debit memos, Cragun said. One of the finance team members has a background as a travel agent, which has been integral, he said.

Dery said S&P uses PredictX to aggregate and visualize T&E data, and the finance manager in each business division has a license to access T&E data and customize dashboards and reports. S&P is working to implement a component called "the story," an automated, annotated T&E overview, visually similar to a company's annual report, that can be viewed on

any mobile device. "It will give high-level, sleek visuals of T&E spend and volume, and eventually, we'd like to take that further and add in some predictive analytics and tie T&E spend back to the budget," she said. "We are trying to influence finance and other key decision makers within our company by creating these types of easily accessible dashboards of T&E metrics."

Dery's travel team also recently collaborated with finance to automate policy compliance controls using the PredictX tool, an area she'd identified where robotics could replace menial, repetitive tasks or just tasks the travel team didn't have the bandwidth to tackle. Finance helped the travel team automate alerts to show travelers when they book or expense something out of policy.

Isom, meanwhile, found himself directly involved in a travel initiative as he helped to implement travel management app Lola, which integrates with Flywheel's expense tool, Expensify. The travel program previously lived in the company's "employee experience" department, and a manager in that department had reached out to Isom's finance department for help. It was his first foray into corporate travel management, and he now oversees the travel program.

Implementing Lola has had a direct benefit on finance, as well as on the travelers, he said, particularly because Lola focuses on employee experience over cost. "Let's say you roll out a travel tool that has super high leakage, which makes it hard for me and my team to accurately account what the total cost was for a given event," Isom said. "If I can get a really easy-to-use tool that has high adoption, allows people to self-book and provides white-glove support, there's super low leakage and on the finance side, I can see how much an event costs and get perspective going forward."

WILL IT LAST?

This detente between finance and travel owes some to the economic prosperity of the past several years. Economists tend to agree, however, that a recession is not only inevitable but probably overdue. When that happens, will this new perspective by financial executives give way to a return to austerity?

Not necessarily, Isom said. In his participation with Financial Executives International, an organization for senior-level financial executives for companies of all sizes, he sees a larger shift. "It's about how you take the finance function out of the back office into the front office and what the finance function will look like in 2025 as opposed to what it looked like in 1985," he said, referring to what he called the "old-school" philosophy of saving money at all costs.

Even in a recession, finance departments should understand the importance of travel, according to the Harvard Business Review report. In fact, investing in travel is even more important during recessions, as those are times for companies to work closely with their customers to maintain relationships. "As talk of the next recession picks up, experts agree that businesses must act more strategically," according to the paper. "In place of blanket cuts to T&E spending, organizations should work to identify smart cost savings, pinpoint growth opportunities and uncover new revenue streams."

Because of the relationship and understanding developed between the travel and finance teams, S&P's Dery is optimistic. "My company does promote a positive travel culture, and because of that, it does improve employee engagement and retention," Dery said. "It has a very positive effect on the way the whole company operates." ◀

"Finance now understands that travel is not just your typical commodity. It's really more so a service, and that has to be based on something beyond the transaction fee."

**S&P Global's
Ann Dery**

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Travel Is a Different Beast From Other Procurement Categories

When Aon director of global travel operations Hillary Dallas talks to executives in procurement, the conversation is not as straightforward as their discussions with other procurement category leads. Instead, she finds herself talking about the underlying travel ecosystem and its unique economics.

Unlike other categories, travel comes with an operational and management component that is critical, said Dallas, who actually runs both travel operations and procurement. Travel buyers have to identify the suppliers that travel spend already is flowing to, negotiate the best discounts and implement controls and policies to drive spend to preferred suppliers. On top of that, there's a huge demand-management component, as travel buyers and managers have to write and review policy, track program compliance and forecast spend.

"Procurement is pretty straightforward," Dallas said. "You are sourcing agreements and then giving them back to the business; whereas, [in travel] we are really managing it. We are taking discounts off our spend with the goal of continuously improving our agreement and driving share."

The travel experience also lies somewhere underneath procurement's choices. LinkedIn global travel manager Leslie Hadden said her job is to ensure a positive travel experience and enhance productivity. She

monitors when and what travelers include in their bookings, as well as which suppliers they choose and their comfort on the trip via post-trip surveys. To choose suppliers, she factors in not only discounts but also service. "If my program is based on experience and service, they better have the best customer service or support for my travelers," she said.

Ultimately, procurement always will be measured on unit cost and efficiencies gained, according to Aon Americas global spend management lead Jason Cesta, to whom Dallas reports.

The key metrics for any procurement category are the spend baseline, the strategy, the projected spend outcome of the strategy and the cost benefit of such a strategy, according to Hogan Lovells global travel manager David McDonald. All these metrics, of course, revolve around savings. Hadden echoed that priority: "Savings is huge. That's the No. 1 thing. It's always about the savings, right? How much are you going to save the company?"

LET PROCUREMENT EXECS BE THE JUDGE

"The first step in our priorities is to find the business need, the business growth and the cost drivers," said Cesta. "Next is to create transparency and awareness around where we do spend money and whether those monies spent on discretionary expenses are aligned to the business growth objectives or not. Then create

controls for finance, operations and other business leaders to make decisions on how to allocate resources that are scarce across different entities." Basically, Dallas said, leaders want to know where they can find savings and if the company is managing its program the right way compared to similarly sized organizations.

Cesta, who oversees all procurement categories in the Americas, said his biggest concerns come down to balancing the "traditional corporate travel levers" of costs, safety and efficiency.

Cesta travels just six to eight times a year. He relies on Dallas and her team to review supplier use and performance, to measure the impact on travelers and to find opportunities for improvement. For example, "if we see a lot of issues on on-time performance or cancellations and we know we've got a lot of colleagues traveling on an airline, then we know we have an issue around irregular operations and we work with our carriers to solve and manage that," Cesta said.

Hadden reports to LinkedIn VP of workplace Jim Morgenson, who also oversees other service functions, as well as global real estate and facilities. He travels at least twice a month, and at least once a quarter, he flies from his homebase in San Francisco to Asia or Europe. An administrative assistant books his

3 TAKE-AWAYS

Suppliers' impact on the traveler experience plays a role in the company's choice of supplier. Traveler friction also factors into the cost/savings equation procurement loves to calculate.

Plans that require too much change management or present a weak cost benefit won't make it past procurement executives.

Procurement execs want T&E that's broken down into meaningful subsets, and they like to benchmark against peer companies.

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travel because his itineraries “get complicated really fast and take up a lot of time,” and he understands that friction can really frustrate travelers.

“I do see kind of how people get hung up with things and changes in airports. Just changes in hotels or directions on even simple stuff,” he said. Morgensen recalled a trip to a country where LinkedIn recommended travelers use Uber for ground transportation. Once on the ground, though, he discovered Uber didn’t operate there.

LinkedIn recognizes that travel is less a perk and more an imposition—on employees, their well-being and their families.

Morgensen said minimizing friction and streamlining travel processes is a priority. “We really want that to be a very positive experience for them as much as we can and make it as simple as possible, make sure there’s no big surprises in it. We try to take care of them absolutely as much as we can,” he said.

SECURING BUY-IN

In McDonald’s experience, executives he has reported to have rejected travel procurement plans when they require too much change management, have a weak cost benefit or appear to be taking something away from people. He learned that procurement leaders, and indeed all leaders, are short on time, aware of their businesses and smart. So cut to the chase in your reporting, he said. “If you cannot get what you want to say in the first three to four slides, you will have lost them. You also have to present your business case, shall we say, in a way that it almost becomes self-evident by the third or fourth slide.”

Dallas avoids throwing total T&E at procurement leaders. Instead, her team breaks spend down by business division, geography, billable versus nonbillable and in other ways. She also builds dashboards with metrics that answer questions from the basic, like, “How is our spend trending?” to the more complex, like, “Is what we are purchasing

“Procurement is pretty straightforward. You are sourcing agreements and then giving them back to the business; whereas, [in travel] we are really managing it. We are taking discounts off our spend with the goal of continuously improving our agreement and driving share.”

Aon’s Hillary Dallas

aligned with our policy?” or, “Are we adopting the lowest logical fare?” or, “Are we going over our threshold amounts on a market-by-market basis?” Aon procurement leaders also like to gauge the company’s performance by benchmarking with similarly sized organizations.

Dallas talks with procurement leaders about travel buying in the following veins:

- **Demand management:** Should we travel, or shouldn’t we travel? Do these trips need to occur?
- **Suppliers:** What are we actually buying, and should it be bought differently? Should we be staying at luxury hotels or mid-tier properties?
- **Policy:** Should we change our policy to drive savings? Should we allow people to fly to the U.S. from Europe in business class?
- **Sourcing agreements:** Should we structure our deals differently? Should we put more agreements in place to cover more spend?

Hadden takes a collaborative approach based on trust, clarity of expectations and mutual understanding with procurement stakeholders. She speaks to them in terms of spend volume, discount impacts, benchmarking and, obviously, savings. They, in turn, trust her expertise, help vet and validate her supplier recommendations and make sure the discounts she has negotiated are in effect and that the service-level agreements she has contracted are met. In this way, the procurement team complements her strategy.

Her credibility flows all the way up to Morgensen, who relies entirely on Hadden’s supplier recommendations. “She will bring me her recommendation, but I rarely get involved in picking this [supplier] versus that one or those kinds of things. I really rely on the team. They’re the experts at it, and they’re much closer to it than I am,” he said. ◀

PROCUREMENT’S STAKE IN MANAGED TRAVEL

Because procurement departments and travel buyers focus on different things, mutual trust can be hard to establish, and that can slow down supplier contracting, said LinkedIn global travel manager Leslie Hadden, who has extensive experience working under procurement departments. Wasted time, she added, leaves savings on the table and can strain travel managers’ relationships with suppliers, who become frustrated with stalled revenue. “It does put pressure on the travel manager because they either take a stance and jump in and help out or they stay out of it and say [to suppliers], ‘Sorry, it’s your problem with procurement. You and I are good, but you guys got to figure it out yourself,’” she said. Thus, many travel managers view procurement as a roadblock to their goals.

Aon director of global travel operations Hillary Dallas has talked a lot with procurement executives about why it’s so important to build managed travel programs. “You can negotiate a contract with an airline or hotel, but if that isn’t embedded correctly within your agencies, there is a good chance that it isn’t working,” she said.

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Albuquerque, NM	37	\$127.53	\$42.48	\$86.53	\$256.43	-0.20%
Allentown, PA	54	\$145.94	\$42.54	\$83.68	\$278.34	-2.58%
Anaheim, CA	31	\$215.59	\$45.91	\$101.21	\$364.71	3.36%
Atlanta, GA	55	\$198.26	\$46.36	\$106.37	\$350.88	-7.69%
Austin, TX	40	\$233.98	\$43.30	\$102.12	\$379.00	6.64%
Bakersfield, CA	42	\$145.12	\$40.58	\$83.67	\$270.13	-14.88%
Baltimore, MD	52	\$171.88	\$47.27	\$109.33	\$328.83	-0.23%
Baton Rouge, LA	50	\$141.03	\$50.88	\$90.81	\$291.93	-3.79%
Biloxi, MS	54	\$126.20	\$55.23	\$87.78	\$269.19	14.54%
Birmingham, AL	56	\$154.79	\$40.75	\$93.78	\$291.32	-3.00%
Boston, MA	31	\$225.79	\$47.12	\$113.92	\$386.43	-18.89%
Buffalo, NY	44	\$187.00	\$51.83	\$93.87	\$332.40	12.53%

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HR Values Travel as a Strategic Partner, But the Departments Could Be Closer

It might seem like travel and human resource departments are natural allies. And they are—when there is ongoing, direct communication between the two departments beyond the usual setting up of traveler profiles and onboarding of new employees. By working together and sharing information, they can collaborate on traveler satisfaction—which for HR translates to employee satisfaction. They can also improve traveler wellness, ensure duty of care and help improve retention rates. HR can help prepare the travel department for large initiatives, such as an expansion or a round of layoffs.

“The travel department is a business enabler,” said Harmony Miller, who recently transitioned from a senior HR analyst role at ZGF Architects to HR manager and office administrator at GRI, an engineering consulting firm. She also headed up travel at ZGF and will do the same at GRI. “People are spending time away from their lives for your business, and if you treat [travel] as just a cost center, eventually those employees will treat your business as just a job. Ignoring that for any company that is investing in developing and retaining talent is a huge risk.”

Most sources BTN spoke to agreed that having a traveler-focused travel policy versus a cost-focused one was more beneficial for both employees and the company. Miller said that one way

to get more out of a travel program without spending additional money is for the travel manager to talk to the HR department. “The travel manager is already collecting reams of data—who is traveling, how often are they traveling, what level they are at—they can take that and triangulate it with information HR has about the employee population, like whether they’re experiencing high turnover, and “make sure everything you are doing serves the employee well, which [in turn] will serve the business well.”

As logical as that sounds, a BCD Travel report released in July showed that only 31 percent of travel buyers said they often or very often interact with HR colleagues. That means more than two-thirds have only occasional or rare to no contact with the HR department, which leaves a lot of opportunity on the table for positive business outcomes.

SAFETY & SECURITY

Employee duty of care is a major aspect of HR’s stake in the travel program. HR wants to be aware of who is traveling, where and when, and ideally plays a role in ensuring travelers are safe. But the two departments can work together to enhance safety and security in other ways.

For Allison Transmission, an Indianapolis-based manufacturer of automatic transmissions and electric hybrid propulsion systems,

3 TAKE-AWAYS

Travel policy should be traveler-focused as opposed to cost-focused to increase employee productivity, loyalty and retention.

Knowing where and when employees are traveling helps HR with duty of care.

A dialogue between departments can help HR better understand travel policies and even communicate them to employees.

the travel department and the medical department both report to HR. “Anyone who travels has to go through an annual travel exam,” said Allison’s VP of human resources Mary Anne Hoffman. If someone had a recent surgery, the company wants to make sure doctors clear them, especially if they are traveling internationally. They can also make sure the employees are current with vaccinations. “Because we own both travel and medical, it makes it easier than if they weren’t under HR.”

INCREASED PRODUCTIVITY

No company wants to spend their time and money on travel for the sake of travel, which means employees on the road need to be as productive as they are in the office. “Productivity is as important as security, and even more so than cost savings,” Miller said. “This is where I think companies can be penny wise and pound foolish.”

It’s not that spend isn’t important—any travel manager will tell you the bottom line still matters—but in the granular view it can get skewed and a company might cut back and damage the productivity of an employee who just wants to get their job done.

Bill Valle, a former HR head for global software, automobile and electronics companies, once found himself as the middle person between headquarters and the local subsidiary, negotiating changes to

HR & TRAVEL CAN PARTNER TO REDUCE ROAD WARRIOR FRICTION

A key element that marries travel and human resources is traveler well-being. It's important for HR to understand who is where, when and how often in order to assess and mitigate traveler friction, which essentially is when a road warrior is burned out from too much travel, or too much uncomfortable travel.

"Even if every trip goes smoothly, each trip adds to accumulated traveler friction, your wear and tear of travel," said Scott Gillespie, head of analytics for Airlines Reporting Corp. and CEO of tClara. There's air, hotel, ground, meals, self-booking, reimbursements, "the whole travel ribbon has friction points embedded throughout it. At some place, you will be less likely to want to travel. Or maybe you don't want to travel this way the company is asking you to travel. But if a different company offered a better travel policy and that was essential to your job, that could be a decision and retention issue."

A soon-to-be-released study from ARC and Visa surveyed 186 senior executives who own travel budgets, and when asked if they were to make a recommendation to their firm's CEO and board about their company's travel priorities, nearly one third (32 percent) said retaining more of their frequent travelers would be their single most important issue. Nine percent cited improving their frequent traveler's health and safety.

Some suppliers, such as American Express Global Business Travel, have started offering a traveler well-being dashboard that gives scores to companies and benchmarks them against their peers. Others, like air price assurance provider FairFly, can score individual departments and travelers.

Asked about traveler well-being at BTN's recent Innovate conference, panelist Pam Massey, deputy director mobility and travel at the Bill & Melinda Gates Foundation, said it was "absolutely on the list for 2020 as a priority. Talent is a commodity, and it's hard to get talent. ... We are a data driven organization. How [does a traveler] indicate to their manager in concrete terms 'I am tired.' You could take data [like] how many times have they taken a red eye? How many times have they sat in economy? How many times have they traveled over the weekend? How many times have they done so many hours of flights under a certain time period? We want to do this in an easy, dynamic way so it becomes a conversation and becomes part of the DNA of the organization to say, 'I'm too hot, I need to not go on that trip and this is an indicator of why.'"

POLICY PROVISIONS

"HR must partner with any business function that impacts the employee experience to ensure that together we strike the balance between business needs and the expectations of the talent on our team," said Bill Valle, a former HR head for global software, automobile and electronics companies. Especially in a tight labor market, travel policies can be a big influence on high-value employees.

HR owns travel at Allison Transmission and the de-

"EVEN IF EVERY TRIP GOES SMOOTHLY, EACH TRIP ADDS TO ACCUMULATED TRAVELER FRICTION, YOUR WEAR AND TEAR OF TRAVEL."

tCLARA CEO SCOTT GILLESPIE

partment writes and manages the travel policy. The company recognizes travel can take a toll. Benefits include bonus paid time off for employees who travel on weekends, and when someone needs to fly internationally, they go in business class. "If we have a nursing mom who needs to travel for work, for example, we will [reimburse the expense of shipping the] milk back so traveling doesn't have to impact that part of her life," Hoffman said. "Those things are well received by employees."

It's important to Allison that traveler satisfaction is high, agreed Amanda Harmeyer, program management specialist in HR who is also the company's travel manager. "Whether we give them an upgraded seat, or extend their trip for leisure, it's the little things like that that play into the role of overall satisfaction of the traveler," she said.

At ZGF Architects, Harmony Miller, who recently left her role as senior HR analyst, zeroed in on same-day travel to determine work-life balance issues. "Let the employee inform a little more about their travel schedule rather than just being dispatched to a meeting and having someone else book their trip and not ask for their input," Miller said. Maybe employee performance would benefit from a previous night stay or has the employee driven the decision to return on the same day for personal reasons? "If HR doesn't have anything to do with the travel program, checking in regularly with the people who do manage travel can do a lot for the traveler experience and morale."

the travel policies and practices. “Many of my people were professionals who traveled globally, and I had to make sure they were satisfied,” he said. The company didn’t want to pay for Wi-Fi on flights, but employees were traveling long distances. He negotiated with headquarters to give employees the choice to use Wi-Fi and know it could be expensed. It seemed like a straightforward call, but employee enablement had gotten lost in a cost-cutting exercise.

Onboard Wi-Fi is a policy decision; other enablers could require additional sourcing or work with suppliers to enhance benefits. Miller’s department at ZGF, for example, made sure travelers booked partner hotels in close proximity to the company’s projects to reduce commuting time on location. It also included nicer hotels in the program with better benefits than what might be offered by other companies for the same level and type of projects. “That’s one area I think HR can really use in recruitment and retention,” she said.

An HR perspective might also push the travel department to look outside its immediate remit for solutions to mobile productivity. Consider the IT solutions frequent travelers need to stay connected to the office and access the files and systems they require to conduct business. Are road warriors equipped with powerful laptops and mobile devices that non-traveling employees may not need? And does the company consider utilization issues for travelers when making enterprise purchasing decisions? “If you are spending for software that will increase [overall] employee productivity, you have to make sure those tools also work for your travelers to boost their productivity,” Miller said.

COST SAVINGS STILL IMPORTANT, BUT SO IS VALUE

Travel metrics are critical for Allison’s Hoffman. “We get reports regularly about our travel spend and we do a lot of analysis around

it,” she said. “I’m a big believer that what gets measured gets changed, so when we’re able to see what is going on, that is critical for our decision-making process.”

Allison works with travel management company Fox World Travel, which provides weekly, monthly and quarterly reports. On a weekly basis, HR looks at who is booked for future travel and whether it’s international or not, because international flights are in business class. “If someone leaves the company, we want to know if there is a ticket out there we can reuse,” Hoffman said.

Monthly reports cover overall spend for air, hotel and car. Quarterly, the company’s key supplier partners meet on site for a deep dive into metrics: 14-day advance bookings, percent of bookings made outside the managed channel, compliance to preferred vendors. Sometimes a new market will surface where Allison doesn’t have negotiated rates. The company will reach out to vendors that serve that location.

For Miller, being cost conscious was important at ZGF, especially as some of her travelers were going to expensive metro areas and had spending caps for government contracts. Her own approach to reviewing costs was more about maximizing value. “We had hotel program feedback from our TMC and from travelers,” she said, but Miller’s HR concern was in identifying how ZGF’s hotel program benchmarked to competitive firms. “When we got a new TMC, the goal was to increase the value we were getting for what we were spending.”

Sometimes, the value conversation can get tricky between travel and HR. Valle consistently challenged travel management about why an employee would find a good fare, but the travel department would instead insist that the traveler buy a higher fare to fulfill a contract or reach certain minimum volumes. “It goes counter to telling people to make their best judgment; they do, and then you tell them they can’t take that flight,” he

“Travel is a critical component of employee ... if we could link [employee] satisfaction and overall happiness with the company and success and productivity, and ask them about their travel experiences as well, that’s very useful. We know business travel is a huge component of a company’s ability to compete and win.”

**BCD Travel’s
Miriam Moscovici**

said. “It happens too often.”

Having better communications between the two departments could help each understand the others’ decisions. “Leaders of each team need to get together and agree to be a unified organization,” Valle said. “That means they’ll meet and talk about what works and what doesn’t and how they set up communication patterns and then figure out together how to improve the [programs].”

ROOM FOR IMPROVEMENT

According to BCD’s report, 60 percent of travel managers do not share data with HR. When shared, it’s most frequently related to policy compliance, bookings, travel spend and traveler satisfaction. “Sharing data gets the conversation started,” said Miriam Moscovici, senior director of innovation and research at BCD Travel. “[The data] might indicate some issue with employees and how to improve the policy to improve wellness and retention.”

But travel managers also need to ask HR to start gathering data that could be valuable to them, such as asking HR to count or document how often the travel policy comes up when talking to candidates or employees. Ask them to add a question about the travel policy to exit interviews and to employee satisfaction surveys.

“Most enterprise companies are beginning to deploy employee satisfaction strategies, and if you already have a survey methodology, ask if the travel program is represented,” Moscovici said. “If not, [a travel manager] should be able to demonstrate why it should be. It’s a critical component of employment, and while not everyone in a company travels, if we could link [employee] satisfaction and overall happiness with the company and success and productivity and ask them about their travel experiences as well, that’s very useful. We know business travel is a huge component of a company’s ability to compete and win.” ■

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Continuous Data Exchange Fuels Travel & Security Collaboration

“The No. 1 thing a travel department can give to security is the itinerary,” said WorldAware founder Bruce McIndoe. “I think that’s getting lost somewhat in the industry dialogue. Without the itinerary, [the security team] can’t provide security effectively. Once the traveler arrives, it’s too late.”

Security professionals’ stake in travel is deeply aligned with the objectives of travel management itself—booking compliance to preferred channels and the data those bookings provide. Unlike travel management, finance and procurement, however, security doesn’t much care about share with preferred suppliers, cost or savings. They mainly care about one slice of the data: where the traveler is going.

For most companies, the business location for a vast majority of trips won’t raise eyebrows. But for the, say, 10 percent of trips that do require a closer look, security will want to know the purpose of the trip and whether the business reason justifies putting human assets in a high-risk location. Can the work be done remotely? Is there an alternate location that is mutually agreeable?

Barring that, corporate security or risk management teams want to prepare travelers for the risks they are likely to encounter. The trip could require anything from health vaccinations to an armored vehicle, but it’s on foreknowledge and preparation that McIndoe said companies should focus their travel risk management attention, and not as much on their reactive tactics after a crisis event.

Yet accidents, injury and illness can happen anywhere and at any time.

This unpredictability requires continuous access to travel and traveler data, said McIndoe. “The richness of the traveler profile data is a great aide and typically is better than what you have in a company’s human resources system,” he said. “Access to those two information sources—the itinerary and the traveler profile—are of the greatest value to incident management.”

SECURITY’S PRETRIP POWER

Not every company has a dedicated safety, security or risk management function. For those that do, a data sharing protocol ensures travel and security operate within their expertise without overlapping or oversharing.

“The travel manager keeps the agency systems and relationship up and running and the travel security manager keeps the travelers safe, working with our own systems or security partner,” said Norges Bank travel security manager Ronny Saether. The travel data flows between the agency and security systems. “We need to talk with one another to ensure our policies are aligned, but when I reach out to travelers to mitigate risk, I never report back to travel about mitigation measures. I report back to the security director.”

There are times, however, when security and travel need to collaborate outside the day-to-day protocols. Policy alignment is the foundation of that collaboration, as Saether noted, but it also touches supplier selection.

Supplier Spot Checks

At most companies, security is unlikely to get involved in formal supplier sourcing exercises. They do, however, want to know the carriers and the hotels travelers plan to use for individual trips.

Again, they are looking at itinerary data for this, and they are looking for questionable suppliers or any that may be restricted for security reasons.

Ideally, an agency partner would stay alert to these issues and help prevent such bookings either with live agents following policy or with restrictions baked into the online booking tool. What could go wrong?

Lapses occur even with the best agency partners, and precious few companies configure true bans into their online tools. Moreover, not every local office may be covered by a company’s agency partners or served with online tools, and travelers can be out of their depth when making complex bookings on their own.

A communication from corporate security managers about unsafe travel plans may carry more gravitas than one from a travel management department, which may prod travelers with other types of messages or marketing nudges.

Cardinal Heath global travel manager Jill Huffman told BTN in June that a year after moving Cardinal’s travel program underneath the security function, security now weighs in on high-risk travel requests and travelers have taken notice with real behavioral changes. “It’s easier and quicker for us to respond with security ... if we need to reschedule their plans,” she said.

Secure Sourcing Support

Some companies, however, do engage security for the travel sourcing process, particularly when it comes to hotel programs. Cardinal Health is one. Security gets involved in vetting partners in high-risk areas, according to Huffman. The World

3 TAKE-AWAYS

Travel & security are closely aligned in driving program compliance.

Security requires additional visibility into off-channel bookings; travel may be challenged to supply.

The best travel & security collaborations maintain a continuous dialog and review incident response at least quarterly.

Bank is another. The organization travels to many locations precisely because other companies don't, and it is expanding security-focused sourcing to its entire hotel program.

"We have now a lot more [security] integration to the travel program," said World Bank travel specialist Roman Neumeister. "In terms of hotel sourcing, we have added eight mandatory fire, life and safety questions in the hotel RFP. We had our hotel bidders conference and made it very clear: If your properties do not meet these mandatory requirements, you are automatically out.

"But these are requirements that travel should not and could not make on our own. We have to rely on the expertise of the security specialist to provide us with that information," he said.

ON-TRIP INCIDENTS & THE CHALLENGE OF TRAVEL DATA

Even with pretrip protocols and security-oriented sourcing in place, traveler safety and crisis incidents do occur. The companies best equipped to respond are those that provide the most comprehensive view of travel activities to their security teams.

Security leaders who spoke to BTN, however, lamented the challenges of working with travel data.

"It can be quite difficult to ensure the quality of the data is good enough," said Saether. "The email address, the phone number in the wrong format," he said, referring to the traveler profile. "And then when you have a trip update or it's been rebooked, it can be a challenge to get that information fast enough. If they called the agency, we can get it quite fast. But if the traveler makes a change at the airport, we can lose control. ... It may be they never went on the aircraft." Saether also mentioned travel's technical limitations with group travel can result in incomplete data.

None of these issues are new to travel managers, who struggle with them in several contexts: ensuring compliance to preferred suppliers, accurate data for negotiations or even identifying potential fraud situations with onsite ticket changes. In these contexts, driving channel compliance has been a critical

"In terms of hotel sourcing, we have added eight mandatory fire, life and safety questions in the hotel RFP. ... These are requirements that travel should not and could not make on our own. We have to rely on the expertise of the security specialist to provide us with that information."

The World Bank's Roman Neumeister

focus. Travel managers may need to broaden their thoughts on compliance when it comes to supporting traveler safety and security. Indeed, fully understanding the impact incomplete travel data has on security efforts has caused some travel managers to rethink the framework of their programs.

DOES CONSOLIDATED TMC DATA DELIVER ENOUGH VALUE TO SECURITY?

The first step toward data control for many programs is rationalizing the agency supplier base. Cardinal's Huffman underscored the benefit of appointing a single global travel agency. "There were a lot of agencies around the world, and some were not feeding at all into our security systems," she said. The World Bank's Neumeister echoed that experience, citing the bank's TMC consolidation effort as a critical move toward complete travel data.

Yet, World Bank security operations center manager Sebastien Mateu said TMC consolidation isn't a full solution. There are times, he said, when travelers book directly on an airline or hotel website or an aggregator like Booking.com, so "we don't have access to that data." World Bank travelers also need clearance from in-country security personnel to travel to certain locations, but travelers tend to create workarounds for those permissions or even travel without them, he said.

While the latter problem seems intractable, the security team has created a straightforward solution for the former: World Bank requires travelers to forward confirmations from

their direct bookings to WorldAware, which automatically includes them in the trip data for security.

"I get a monthly report from WorldAware that shows me how many people actually do that. We have zero compliance," said Neumeister. "We continue to communicate about it. It's on our website and it's on security's website. When something happens, those people may say, 'Hey, no one helped me.' They made it impossible for us to know where they are."

Mateu concurred. "The reality is that we have worked together long enough and bridged the gaps we can between travel and security to make our response faster and more proactive. What's left is the user. If they aren't forwarding their bookings, they aren't contacting in-country security for clearance or they're not updating their new cell phone number, it's very difficult to help them. Security is a shared responsibility, and the travelers also have to do their part."

OFF-CHANNEL OPTIONS

ITW global travel manager Cathy Sharpe said visibility into business travel activity will never get to 100 percent, but she's using SAP Concur's TripLink technologies to incorporate similar email forwarding strategies to those employed by the World Bank. She said she's pushing past those limitations when travelers book direct with suppliers fully integrated into the TripLink ecosystem.

"Security's message to me was that they were really challenged by the incomplete travel data," said Sharpe. "We had already moved down the TripLink path with the travel program.

HOTEL PROGRAM FOCUS

Security's active involvement in sourcing may be rare, but especially for hotel programs and especially for companies that dispatch travelers to sensitive areas, it may become more common. According to WorldAware director and senior advisor of critical operations, global assistance and response Bob Howell, hotel terror attacks are on the rise. That means more companies may engage their security divisions to assist in sourcing, but also that companies may need to source more safe hotels to prevent specific properties from becoming obvious targets for bad actors.

Pushing that data directly to [security partner] Healix has given us monumentally more data than what we were seeing in the past.”

Moves like this beg the question: Should travel managers compromise hard-fought program compliance to deliver increased value to their security stakeholders? It's been a slow burn, but sentiment may be shifting.

Once considered a travel program jailbreak, TripLink now counts 14,000 customers and 9 million active users, according to SAP Concur president Jim Lucier. He emphasized at The Beat Live conference in September that the underlying concepts of TripLink—namely, to capture supplier-direct bookings—had become mainstream for travel managers. Lucier cited a Concur poll fielded at the Global Business Travel Association convention this summer.

“That GBTA poll asked [travel managers if they are] going to bring these leaked bookings into their travel program for data analysis. Seventy-one percent of travel managers said they planned to get these in within the next year,” he said.

Sharpe was one of TripLink's early adopters and has advocated consistently for travel managers to open their programs to bookings outside the TMC channel, as long as the data can be captured on the back end. “It's been the very best decision from a data perspective and from an economic perspective that ITW has ever made,” she said.

Regarding bookings with suppliers that aren't fully integrated into the TripLink universe, Sharpe said ITW travelers have been relatively motivated to forward their confirmation emails to TripLink for data capture. She acknowledged, however, that “until every supplier is brought into TripLink, there will be issues” with visibility.

Other suppliers are looking to close the email-forwarding gap. Traxo offers off-channel data capture technology and is building a universe of direct supplier participation into a product called Traxo Connect. Currently the company has only a handful of travel suppliers in its marketplace, but it also pushes an email system rule integra-

tion that automatically forwards travel confirmations to its data parsing tools. The rules eliminate the need for travelers to forward their confirmations, and once the data is restructured, Traxo passes it to security partners.

There's a sentiment among travel managers that the email system integration could be too invasive for their companies to adopt. Traxo minimizes those requirements in its marketing. How the value of the data is positioned to the corporation could matter in making such decisions—is it a play for travel data or a play for human security? Is one business reason more compelling than the other?

GETTING MORE STRATEGIC WITH SECURITY

The symbiotic relationship between travel and security is clear. Yet, travel also has a stake in the security team's ability to deliver. Of course, there's an interest in preparing travelers for risky trips. At its most intense moments, however, travel relies on security for rapid and thorough responses to travel crises. These are the moments when all the data, collaboration and preparation mean the most. Both the travel and security teams have a stake in ensuring procedures work as well as they can.

WorldAware's McIndoe is part of an industry work group that has shaped a five-level travel risk management maturity model. Level 5 is considered “optimized,” said McIndoe, and is characterized by a TRM strategy that undergoes continuous review against defined metrics to understand the impact of travel emergencies and to refine response times and procedures accordingly. Asked what metrics companies should be looking at, however, McIndoe demurred.

“Our workplan is exactly that—let's get those [metrics] down and get discourse going within the industry around what are the right metrics vis a vis [TRM] effectiveness and efficiency,” he said. Barring exact metrics, he continued, outcomes are the most important factor to look at right now.

“Companies should look at every incident that occurs with any traveler and break each one down to determine if it was a health, safety or security issue or not,” McIndoe said. “If not—if it is

actually an issue with travel process or procedure, like not having the correct visa—the remedy should stay with the travel department. If it is [a health, safety or security issue], the company should look deeper to see how the incident occurred. They should go through the model, from policy to procedure, enhanced training ... where did the gap occur? And then fix it.

“The general tempo is that a composite view of incidents should be looked at on a monthly to quarterly basis depending on the size of the program. From those incidents, you triage down the typical risk spectrum. Figure out what are some [risks] you should focus on. For a major incident there should be an immediate after-action review.”

What McIndoe describes is similar to Sharpe's “case-by-case review” strategy at ITW.

“ITW travel and security teams have established a tree of authority that makes decisions based on emergency procedures,” she said. “Otherwise, we do quarterly reviews to ensure anything that has been an issue was taken care of. We review how it was taken care of and whether we need to do something different next time.”

Through this process, ITW has worked with its TRM provider to create a different emergency notification and response system for travelers. It has also elevated the level of authority its TRM partner has to move forward with a response without explicit approval from an ITW executive. “This was a joint decision between travel and security. It has reduced our decision-making times and allowed ITW to be more thorough in these situations.”

Sharpe added that ITW has not experienced large-scale travel emergencies. Asked if she felt ITW's travel and security teams were prepared for one, she confidently said, “Yes.”

McIndoe stressed that regular reviews position companies to be ready when a situation does arise. “TRM has to be part of the company's culture, not just a task assigned to travel. It requires principles to be applied just like other areas of the business. Without that, the collaboration between travel and security becomes stagnant.” ◀

“TRM has to be a part of the company's culture, not just a task assigned to travel. It requires principles to be applied, just like other areas of the business. Without that, the collaboration between travel and security becomes stagnant.”

**WorldAware's
Bruce McIndoe**

Involve IT Early & Find Shared Goals

Departments from finance to HR to the C-suite all rely heavily on IT-managed systems. A company's managed travel department is no different, especially as tech-forward tools for corporate travel programs proliferate. Many require close integration with a company's IT systems. IT can serve as a crucial link between travel and other departments, as well. Meanwhile, the travel department is a valuable source of data and information that IT can leverage for the benefit of the entire company.

But to realize the potential of a symbiotic relationship between IT and travel, both must work closely and effectively together, estab-

lishing clear and open lines of communication on an ongoing basis and cooperating from the earliest phases of a given initiative to ensure a project meets the needs of both departments.

EARLY ONBOARDING

"Everything in the world today is technology dependent, and travel is no exception," said Lisa Stanley, director of global travel and card services for global financial services technology provider Fiserv.

Given the tech-centricity of travel, Fiserv's IT department "is constantly engaged" with the travel team," Stanley noted. The two departments have weekly meetings to

discuss current and future projects, such as dashboards for travel managers, expansion to new markets and integration of acquired systems and third-party systems that touch the company's travel operations.

Bringing IT onboard early enables the two departments to develop "shared mutual goals," where "there is an investment and a desire for a successful outcome on both sides, ensuring all projects run smoothly and to scope," according to Stanley. For Fiserv's IT department, early involvement aids mid- and long-term planning, which is especially important given the complexity of the systems involved and the demand for IT services from other departments.

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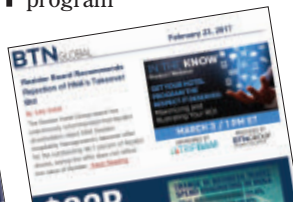
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“Advance notice of big initiatives or changes is the most important information for us to have,” noted Fiserv business analysis and technology services manager Grace Howard. “Knowing about strategic direction allows IT to develop an immediate solution that can be leveraged for future states, as well ... and come up with the optimal solution instead of a patchwork fix.”

EY IT project manager Suresh Prajapati echoed that sentiment. “We want to know the road map for what applications and technologies need to be implemented over the next two to three years to allow ample time to plan budgeting and resource allocation.”

Prajapati also recommended IT be involved during the travel department’s RFP process so it can guide travel on what solutions would best fit from a systems implementation and security standpoint, especially important as data breaches and other types of hacks loom. “Lots of organizations are getting impacted by cyberattacks, so we as IT want to make sure the infrastructure is secure enough to protect EY’s data and systems,” Prajapati said.

EY’s own travel department works closely with IT to ensure that all vendors, including travel management companies, comply with information security and data privacy requirements prior to deployment, noted global travel, meetings and events innovation leader Ian Spearing. “They help us in identifying and remediating potential concern with implementation of technology solutions, which ensures compliance to our overall IT and data security requirements and keeps our systems and travelers’ data secure.” He said, “To date, EY’s IT department has helped support the onboarding and sign-off for 24 [third-party servicers] and maintains the ongoing data feeds” to support those services. The IT department also provides user support once systems are in place, he added.

MUTUAL MISSION

It’s important to break down the barriers between the travel and IT departments and foster a unified team. Otherwise, the two silos work in parallel but not in concert, experts

noted. A shared understanding of each departments’ sensibilities, from high-level goals down to language, fuels partnership. “There is a certain lingo that we use to communicate with each other,” said Stanley. “IT has learned our language, and we’ve learned theirs.”

Ensuring IT teams understand topics that are important to travel departments also drives results, added Howard. Particularly useful to IT is education about travel-related concerns like value-added tax reclamation and data regulations like the EU’s General Data Protection Regulation. “We can more effectively support travel when we know what is needed and why,” said Howard.

Conversely, it helps for travel departments to understand IT concerns and keep them front of mind from the start of a new project, said Spearing. To streamline projects, the accounting giant has “developed an internal review process ahead of putting vendors in front of the IT department.” Addressing IT concerns ahead of time can avoid wasted work should IT object to a project. “IT is often seen as a hindrance to deployments,” Spearing noted, “but we believe that with a strong and open relationship sharing accountabilities against a robust plan, there is huge benefit to having IT as a key stakeholder in travel operations,” he said. “It’s about building strong relationships, sharing openly the strategy and what success looks like for the travel program and how the IT department can assist in the delivery with the objectives.”

As the leader of both travel and IT for EAB, Steven Mandelbaum has a unique perspective on the touchpoints between the two and how information gleaned from one side can help the other. BTN named Mandelbaum, who said he “came to travel by way of technology,” Travel Manager of the Year in 2014 for building custom T&E solutions for EAB while also overseeing outside travel management and booking integrations for the company. “Travel is usually an organization’s second-largest expense [after payroll], so organizations should be very interested in travel data,” he advised.

For companies willing to invest the time and effort, IT can build the plumbing to funnel T&E data directly to other departments. Accounting,

budgeting and customer relationship management systems, for instance, can leverage booking, cost and other travel department data for greater insight into ROI and other useful benchmarking, Mandelbaum noted. HR could benefit from a direct travel data feed, as well. “It can also inform you about whether you have employee burnout, in cases where a person is always on the road, for instance,” Mandelbaum said.

The benefits flow the other way too, Mandelbaum added. “IT encompasses a lot of organizational data that can be used for travel planning,” such as customer lists and other CRM data, he said. But building the data-flow bridges between IT and travel requires work, he cautioned. “Creating links to that data is great, but the challenge is to make sure you have the right integration points and [are] sharing the right data. That has to be set up in a thoughtful and clever way if you want to have it all come together.”

While interdepartmental data connectivity remains uncommon, companies using IT-built tools rather than third-party business intelligence services can tailor the solutions to their needs. One design consideration that often gets lost in the shuffle is how a new system fits into a corporation’s larger IT infrastructure, Mandelbaum said. While a tech-based function or tool might be useful for the travel department, it might not fit within the company’s overall IT architecture, underscoring the importance of early engagement with IT departments on prospective integrations. “The travel department—or any department—will want to get any change or new system in front of IT as early as they possibly can [so IT can] ask hard questions about how that new element fits into the rest of the business technology ecosystem for the company,” Mandelbaum advised.

The reward for those who properly integrate IT and travel systems are powerful. Mandelbaum said EAB’s own efforts on that front have been worth the work: “We use our travel data for planning, client servicing and a whole host of things, so we’ve seen great returns.” ■

3 TAKE-AWAYS

Because it touches all other departments, IT can help travel teams link to all those stakeholders.

Engagement with IT early ensures that projects and technology integrations meet technical and data privacy standards.

Understanding each other’s language and values helps establish shared goals.

BTN

BUSINESS TRAVEL NEWS



**TUESDAY
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11am ET / 8am PT
Duration: 1 hour

WEBINAR

DELIVERING TO TRAVEL STAKEHOLDERS

Over its relatively short career as a business function, travel management has lived in many places in the organization. First, it was the CEO's office, then HR, then operations and more recently procurement, as cost-savings became a travel management priority. Now, all those former hosts are stakeholders, and new stakeholders like security and information technology are on the rise.

How does a travel manager deliver value to so many different constituents—and that doesn't even count travelers? The answer is often in the travel data, but it matters how it is sliced and in what context it is presented. In this webinar, learn from data experts, consultants and senior travel buyers, how they work with data and storytelling to deliver what their stakeholders need.

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