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Business Travel News (USPS 0728-870, ISSN 8750-3670) August 31, 2020 Issue 876 Vol. 37, No. 11. Business Travel News is published monthly except semi-monthly in March, April, June, August, October and November by Northstar Travel Media, LLC, 100 Lighting Way, Secaucus, NJ 07094 (201) 902-2000, and is distributed free of charge to qualified corporate travel buyers and travel agents specializing in business travel in the United States and Canada. The cost of a print subscription to non-qualified subscribers is \$129 in the U.S.; \$142 in Canada and Mexico; and \$205 in other foreign locations; the cost of a digital edition subscription is \$65; payable in advance in U.S. dollars. Registered for GST as Northstar Travel Media USA GST No. 264513185. Canadian GST #123397457. Periodicals postage paid at Newark, NJ, and additional mailing offices. Business Travel News is a trademark owned exclusively by Northstar Travel Media. Copyright © 2020 by Northstar Travel Media, LLC. Reproduction of this magazine, in whole or in part, is prohibited unless authorized by the publisher. Editorial and advertising offices: 100 Lighting Way, Secaucus, NJ 07094. For all circulation inquiries, including new subscriptions, renewals, cancellations, changes of address and problems with missed deliveries, contact customer service by mail at Business Travel News, P.O. Box 2007, Skokie, IL 60076; by phone at (800) 231-3776; fax at (847) 291-4816; e-mail at btn@omeda.com; or www.businesstravelnews.com/subscribe. POSTMASTER: Send change of address to Business Travel News, P.O. Box 2007, Skokie, IL 60076. Printed in the USA.

For Some SMEs, Business Travel During Covid-19 a Matter of Survival

As the travel industry emerged from what, for most travel suppliers, has been the worst quarter they've ever known, many noted demand growth from small and midsize travel programs as a slight but noticeable trend.

Dallas-headquartered American Airlines, for example, saw its small- and midsize business bookings out of Texas drop to “almost zero” in the first week of April, but they begin to show some slight recovery in subsequent weeks as the state began easing restrictions, chief revenue officer Vasu Raja said in the carrier's second-quarter earnings call.

“They were about 10,000 a week, which is not even single-digit percentages, but by June 15, after Texas went through Phase 3 reopening, they had increased 300 percent to 45,000 or so,” Raja said. “That still is relatively small, and they are far from where we would like them to be.”

Bookings from larger corporate clients, however, did not change at all in that period, Raja said. “So, it's likely to think that for a period of time, business bookings are going to be very different.”

WHO IS TRAVELING?

A few factors are getting SME travelers back on the road faster than their larger corporate counterparts. Part of it is simply structural. SMEs are less likely to have dedicated corporate security departments than their larger counterparts and,

as such, are less likely to be subject to wide-reaching travel bans as a company policy.

In some cases, maintaining travel is a matter of survival for SMEs. They simply do not have the resources to withstand multiple quarters without the revenues related to business travel, so their options are either keep travelers moving or shut down permanently.

“Smaller companies can be far less flexible in how they can raise funds to bridge burn rates,” said Chris Ulph, VP of global marketing for FairFly. “They have intrinsic needs related to travel.”

The idea of “essential travel” amid the Covid-19 pandemic already is difficult to define, but it takes an extra layer when it is necessary to maintain operations. That might not only include travel for sales to win new business but also to maintain current business, such as companies that have clients on subscription-model services. There's also travel needed simply to continue operations, such as for data server maintenance, Informatica global travel manager Rick Wakida said.

As such, many SMEs are not operating under a hard definition of essential travel—if it had been defined as a trip generating at least \$5 million in revenue, for example, would a trip that would potentially generate \$4.9 million be turned down?—but instead are looking on a case-by-case basis.

“Essential travel is determined by approval,” Wakida said. “We're

requiring three levels of approval.”

Even so, as Raja indicated, business travel levels remain low even for those SMEs that are traveling. Mark Walton, EVP of strategy for Options Travel, a travel management company that works largely with SME clients, said most clients are currently operating with travel levels about 20 percent to 30 percent of last year's levels. No client is operating much above 50 percent, he said.

Right now, industry segment is a bigger factor in whether and how much a company is traveling than size, Walton said. Retail clients, for example, are traveling a lot to their stores around the country, and health care clients are traveling to hospital for training, he said.

Amanda Vining, president of Corporate Traveler U.S.A., said she saw the biggest spike in business travel right after the July 4th holiday. As with Options Travel, it has varied by segment, such as pharmaceutical companies that need to conduct drug trials, financial clients making acquisitions or oil and gas clients with critical projects. Travel is returning at a quicker rate for smaller clients, she said.

“A lot stems from the fact that they have to travel,” Vining said. “It doesn't mean the larger companies are spending more than they should be, but for growing companies, it's critical to get those deals across the line.”

Altour chief risk and security officer John Rose said he's also seeing travel pick up among the

“Smaller companies can be far less flexible in how they can raise funds to bridge burn rates. They have intrinsic needs related to travel.”

FairFly's
Chris Ulph

entertainment industry, but as with the others, he said most travel at this point is for crucial needs.

"We're now seeing clearly that meetings and events aren't going on right now, and not discretionary travel," Rose said. "If an account is in jeopardy or they need to open up a new market, that's what's needed now."

Unsurprisingly, travel among SMEs is largely limited to short domestic trips, said David Marcus, VP of business development and client solutions for ABC Global Services' hotelConnex division. "The ones reliant on international travel are pretty much frozen," he said.

TESTING THE WATERS

For salvage operator Resolve Marine, travel never stopped, which has required working around restrictions depending on a project location, project coordinator Britton Davis said. For example, project workers in Florida have had to deal with reduced amenities at hotels. The hotel restaurant, for example, was not open when the work began, and the crew had limited options elsewhere.

"The crews work extensive hours as it is—they go from the jobsite to the hotel and don't do a lot of social activities—and things are closing earlier, so that's something new we now have to work around," Davis said. "The cleaning schedule was different, too, so we were able to work out a schedule that worked for them."

Car rental availability also has been difficult, especially on weekends, she said.

More remote projects have presented different challenges, such as one in Alaska's Aleutian Islands, she said. Travel there requires quarantines both on the mainland and then on the island, for which crew schedules have had to be adjusted, and even getting there has proved a new challenge. Commercial flights to the islands were halted, so Resolve had to work with charter

services, which Corporate Traveler helped to coordinate.

"Corporate Traveler worked with local vendors and helped create a system, which made our jobs easier and alleviated stress for travelers," she said. "In times of cancellations or changes to flights, they've helped."

Davis' colleague Hugh Leckey, meanwhile, has been coordinating travel for a project in Italy, one of the first major Covid-19 hotspots in Europe. While it has required new steps, such as Covid-19 testing, health checks and getting authorization as "essential" employees, he said he has not had many issues with flight cancellations or delays.

"In terms of getting the crew out here, the process has been the same," Leckey said. "Italy as a whole, especially where we are, is recovering quite well. It was locked down for so many months, it's probably the safest place to be in Europe."

While Resolve Marine was never able to shut down travel, some other SMEs just now are getting their programs moving again on a limited basis.

Otsuka Pharmaceutical, for example, in recent weeks just began a pilot program for hotel overnight stays: one night only, and not associated with air travel. The company in June made a decision to let its field teams have meetings with healthcare personnel only by driving, and the team had been requesting the ability to stay at hotels as well, senior corporate travel and expense manager Danielle Amoroso said. The company looked at the business case for allowing hotel stays and found it would not necessarily be a benefit on the financial side but eventually decided to do the pilot to understand what the industry is doing, she said.

"This is not to increase performance, but to learn," Amoroso said. "How are we going to work with

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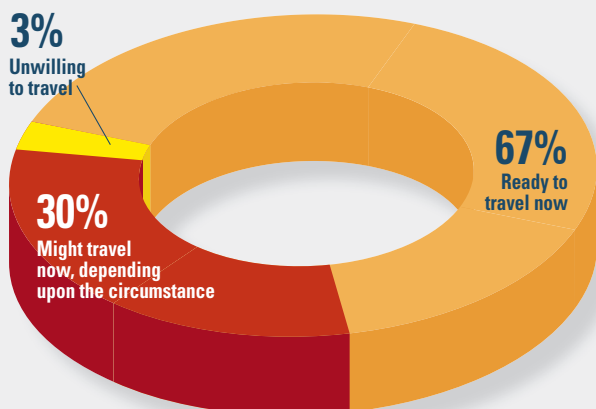
SME Business Travelers Ready to Roll

BY CHRIS DAVIS

ADDITIONALLY, NEARLY HALF OF U.S. SME BUSINESS TRAVELERS ARE “EXCITED” TO GET BACK ON THE ROAD, DESPITE RISING COVID CASES THERE.

As the coronavirus’ initial shock dragged into a summer shutdown malaise, some SME business travelers appear ready to hit the road, perhaps more so than travelers from larger companies. One key reason could be that the business travel most feasible during the pandemic—domestic and able to reach by car—is the type of business travel most applicable to SMEs. While obstacles remain to such travel, SMEs often have less need for the type of international or intercontinental air travel that remains scarce than do larger global firms.

TWO-THIRDS OF SME BUSINESS TRAVELERS READY & WILLING TO TRAVEL NOW



Source: June poll of 233 traveler respondents from 35 member companies of TravelPoolEurope, a travel buying consortium of companies that annually spend on average €500,000 to €13 million on business travel.

EUROPEAN SME TRAVELERS: INABILITY TO TRAVEL SOON WILL IMPACT JOB PERFORMANCE

42% must travel within three months to accomplish job goals

31% must travel within four to six months to accomplish job goals

Source: June poll of 233 traveler respondents from 35 member companies of TravelPoolEurope, a travel buying consortium of companies that annually spend on average €500,000 to €13 million on business travel.

U.S. SME TRAVELERS EAGER TO HIT THE ROAD

45% of U.S.-based SME travelers described themselves as “excited” to get back to traveling

32% of all business travelers surveyed—including travelers from small, midsize and large enterprises globally—said the same

Source: SAP Concur & Wakefield Research survey of 4,850 business travelers in 23 global markets, conducted May 20-June 9.

“ This tells us there is an urgent need for a very significant number of people to travel again, and that a proportion of business travel will resume quite fast. A lot of [these travelers] are probably salespeople, but companies also need to go and see existing clients if, for example, they are consultants or service technicians. It’s difficult to provide these services if you’re not on the road. ”

— TPE MANAGING DIRECTOR SØREN SCHØDT

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- Selecting and accessing your vehicle and exiting the gate will be a contactless process at most locations.
- All employees wear masks and gloves. We provide personal protective equipment to our customers and have hand sanitizer available.
- We practice social distancing with plexiglass dividers, floor markings and signage at our locations and buses.
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suppliers [on] how to implement a new process that could apply to more travel?”

While hotels are spelling out their Covid-19 protocols, for example, how can travel buyers ensure those are actually being followed at every property?

To answer that question, Otsuka developed the pilot involving a small percentage of the sales force, all of whom are pre-selected and given the option to opt out. They are allowed to book only through Otsuka's TMC, JTB, and not through online booking tools, and they must submit a request at least a week prior to travel. Hotel stays are allowed at only a handful of brands, with JTB ensuring that individual hotels meet standards to prevent Covid-19 spread, and they also monitor the county in which the stay is occurring to make sure the pandemic is under control there—and that it remains so up to the time of travel. In addition, JTB is helping travelers to make sure they understand what precautions they need to take, such as avoiding using gyms or riding elevators only when they can get on them by themselves.

Travelers who were chosen overall seemed eager to participate, and Amoroso said she hoped it would be a first step toward further expansion.

“We plan for this eventually to get us to a point where that will safely guide us as we are restarting travel,” she said. “Prior to Covid, we didn't have a pre-approval process, and I would love to see us get back to that point.”

Otsuka's approach of trying hotels before flights does not seem to be uncommon. Options Travel's Walton noted that in July 2019, hotel bookings were 7 percent higher than air transactions. In July 2020,

they were 308 percent higher.

As for Informatica's Wakida, he's seen a grand total of three hotel bookings so far this quarter. None of those were based on a customer request. One was someone who needed to travel to a data center to do maintenance, one was related to a relocation and the third was someone who needed to return to their home country per visa requirements.

“It's probably the first time we've had 100 percent program compliance,” he joked.

ROADBLOCKS & OPPORTUNITIES

In order for business travel levels to rebound beyond survival levels, SME will have to clear many of the same obstacles currently blocking travel for larger companies, which in some cases, will be a bigger challenge for them.

For one, the same lack of corporate security departments that may be allowing for some travel also leaves SMEs with fewer resources to handle disruptions that will be more commonplace in a post-Covid world, Altour's Rose said. Beyond the risk of travelers contracting Covid-19 themselves, they also could be stranded by sudden quarantine requirements or face other unrelated threats, such as being in a hotel where a flash protest suddenly erupts, he said.

“You could have business travelers stranded during mass repatriation or facing concerns of whether they can even go to a certain country, or they could get to their hotel and see that nobody is practicing social distancing or wearing [personal protective equipment] and need to change hotels,” Rose said. “Or, you could have them on Michigan Avenue when a riot breaks out, and who do they call for advice? Their travel departments aren't really equipped for that.”

Altour had been focusing on risk management for SMEs prior to Covid-19, and interest growth since the

epidemic began has been “exponential, hard to measure” Rose said. In recent weeks, Altour launched an around-the-clock safety hotline for clients to help meet that demand.

Options Travel's Walton said business travel would see little bounce-back until companies are sure they will not be liable for infections and other Covid-related incidents on the road. Smaller companies without large legal departments might be less equipped to handle such questions on their own, hotelConnex's Marcus said.

“That has to be handled through legislation,” Walton said “If it's on a voluntary basis, even if individuals are willing to do so, that doesn't remove the liability for the company.”

In the meantime, SMEs might need to revise some of their policies in advance of travel returning. Informatica's Wakida, for example, said he in particular has been looking at policies allowing travelers to tack on leisure time to business trips. If they get stuck by travel restrictions on a business trip that includes personal time, it might create confusion as to who is responsible for costs should they need to add extra time to their stay.

For those SMEs returning to travel, one silver lining is that now could be an excellent time to build relationships with their supplier partners. Hotels, for example, are not only hurting for business, but also have sales teams that likely are not occupied with large corporate clients, as they would be in a seller's market. Not only will there be a long-term benefit in building the relationship, but it also will benefit short-term should issues arise as hotels face lower staffing levels and reduced services.

“From a pricing perspective, if they're ready to travel, there's a significant opportunity,” Marcus said. “Now more than ever, the direct relationship is the key.”

“From a pricing perspective, if they're ready to travel, there's a significant opportunity.”

HotelConnex's David Marcus



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Glovo Gets Its Hands Around Business Travel Visibility & Supplier Deals

The move from unmanaged travel to a managed program was the right fit.

Barcelona-based Glovo is an app-based, on-demand delivery service predominantly specializing in takeaway food but also in groceries, gifts and more. The company's business travel needs have increased rapidly in the five years since it was launched in 2015.

In the early days, its relatively modest business travel requirements were handled by the organization's office manager, for whom booking trips was just one element of a multi-faceted role—a familiar set-up for many SMEs. But as the company grew, so did its travel needs, which were taking up increasingly more of the office manager's time.

Seeking better oversight of its travel spend, the ability for

required—and to have access to a range of consumer content. After a thorough assessment of the market, TravelPerk ticked all the boxes and, as a tech company based in Barcelona, was also a good cultural fit.

"Around 60 percent of our clients have joined us from unmanaged backgrounds," said Ross McNairn, chief product officer at TravelPerk. "We're finding more and more that companies like Glovo, with small internal operational teams, are coming onboard looking for consumer content and north of 95 percent adoption of the tool. We're also seeing a lot of companies come across from more formal travel programs too."

A quick win for Glovo was improved productivity. "We

in more than 20 countries and 400 cities and employs some 1,500 people. "Travel has grown very quickly as the business has grown," said De Los Rios. "We are opening in new countries year after year, so we are seeing a lot of travel to new destinations."

In normal circumstances Glovo typically books more than 500 trips a month comprising "day-to-day travel, relocations and people coming from around the world for interviews with us."

Any company can access TravelPerk content and book trips without charge but, like most users, Glovo pays a flat fee to TravelPerk per trip which enables it to incorporate travel policies, approval processes and negotiated rates, among other benefits.

"Employees really like having everything in one place and the freedom to book their own travel," De Los Rios said. "Our travel policy is in the system and we now have an approvals process in place. It's been good to see more content being added too, such as Expedia and Booking.com."

The vast majority of travel is now self-booked online by employees together with some offline bookings through agents, while 98 percent of all travel goes through TravelPerk. "The exceptions are mostly where someone is relocating but hasn't actually joined the company yet," De Los Rios said.

The move to a more structured environment also has helped with compliance. "The reporting is really good. We found a lot of trips in the past were outside of policy, but we've really been able to improve this. It's very easy for us to see exceptions, and this has sometimes led to us adjusting our travel policy to better suit employees' needs."

With greater visibility of outgoings, Glovo has also been able to consolidate spend with suppliers and get access to corporate deals with several airlines and a hotel group that operates across Europe. The rates are loaded into the TravelPerk platform.

There have been significant duty-of-care wins too, which have taken on new significance in the current environment. "The ability to track our travelers is really important for us. We can see exactly who's where and when, and who's requesting what travel," said De Los Rios.

"Right now we're advising against business travel unless it's absolutely necessary. Mostly it's domestic within the markets we're currently present in, but we've worked with TravelPerk to build in safety alerts if someone tries to book something they shouldn't be booking or where they can't actually travel to a destination because of border or quarantine issues. Volumes have reduced a lot, but we hope we can get back on track soon." ■

"The ability to track our travelers is really important for us. We can see exactly who's where and when, and who's requesting what travel."

Glovo's Daniel De Los Rios

employees to self-book online, and improved duty-of-care processes, Glovo began talking to a number of travel management companies. It was also important to the company to consolidate all bookings in one place—no matter what transport or accommodation was

used to waste a lot of time on the phone with airlines and hotels, so that was an instant benefit—the time-saving aspect," said Daniel De Los Rios, who was brought onboard 18 months ago as Glovo's first dedicated travel manager.

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Fee Factor: Agency Pricing for SMEs After Covid-19

With the shutdown of corporate travel amid the Covid-19 pandemic exposing inherent weaknesses in prevailing transaction-based travel management pricing models, TMCs and their corporate clients alike are facing a reckoning, with both parties forced to re-evaluate not just pricing structures, but the very nature of the TMC-buyer relationship amid today's corporate travel ecosystem.

The potential for change is particularly dynamic in the small and midsize business segment, where relatively nimble buyers and TMCs willing to explore alternative pricing structures and service models already have begun shaking things up.

THE PRICING PARADOX

Dominant in the market since the end of supplier commissions more than two decades ago, transaction pricing models worked great for TMCs with corporate travel going like gangbusters in recent years.

"TMCs like transaction-based pricing when travel is strong, and we would prefer to be paid at a fixed rate when travel transactions are low," said Mike Cameron, CEO of Christopherson Business Travel. "Travel buyers have the opposite objectives."

That dichotomy was vividly illustrated when the global Covid-19 outbreak brought travel to a screeching halt earlier this year. The sudden onset of the pandemic created two major problems for travel management companies; evaporating what had been a fast-flowing revenue stream, while opening the floodgate of demand for support to deal with cancellations, refunds and other services related to the Covid-induced chaos.

"We went through a period where we were experiencing extraordinary demand, but because of the limited number of new transactions, we were experiencing very limited revenue," American Express Global Business Travel CEO Paul Abbott said of the period. "High demand and low revenue is not a great balance. I do think [the transaction-fee model] needs to be looked at."

True to Abbott's words, Amex GBT in late August said it would begin charging a "contact fee" whenever an agent provides services via phone or email to a client, but no booking transaction occurs.

But is solving a fee revenue problem by creating more fees the right solution?

Not according to AmTrav president and co-founder Craig Fichtelberg, whose TMC serves the SME segment and offers a per-employee subscription pricing

model to its travel management clients.

"The per-transaction-fee model has scared away" many SMEs, Fichtelberg said—adding that such a structure "discourages users to use the TMC since every touchpoint results in additional fees." By contrast, the subscription-based model Fichtelberg advocates incentivizes companies to use the platform, he noted.

"The more they use it, the lower the average fee per transaction becomes," he said. "They will get the support they need... and not be penny-pinched for transaction fees along the way."

But even subscription models aren't immune to disruption; in the case of that pricing model, the risk is on the side of the buyer, who runs the chance of being on the hook for paying a set price each month, even in the event of a significant downturn in travel activity, such as was the case after Covid.

Patrick Linnihan, CEO of midmarket-focused Gant Travel, reported facing push-back from the travel management company's relatively few clients who were on subscription pricing deals in the wake of the pandemic, causing Gant to pause a planned push to move more of its clients to the model.

"We were looking to move more in that direction, but we

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got tripped up [by Covid]," Lin-nihan said. "We [had] people coming back to us asking, 'Now that we aren't traveling, can we stop paying the subscription pricing?' It's really hard to win."

TRANSCENDING TRANSACTIONS

Are pricing agreements between TMCs and their clients doomed to be simply a zero-sum game, with one party bound to hold the upper hand depending on the level of travel activity? Or is there a model that can be truly mutually beneficial, aligning both parties' interests under all circumstances?

The SME segment offers some promising possibilities on that front, with solutions based upon fully embracing evolving conceptions around what value and services a TMC should bring to the table for its clients.

"As far as a TMC's value to a corporation, booking is becoming an increasingly minimal part of that," said Aash Shrivah, general manager of midmarket-focused TMC JTB Business Travel. "We decided we want to solve bigger problems and that what we're here for is not to book travel, but instead to provide services after the booking of travel."

With that driving force in mind, JTB offers an initiative called Experience Zero, a fixed-fee pricing model that does away with transaction and traveler numbers-based pricing in favor of a flat management fee. Experience Zero's pricing is holistic, based on overall travel volume and the "scope of services" a client wants, according to Shrivah.

"If your volume goes up, we don't automatically say, 'You have to pay more.' Of course, if a client has \$1 million in travel

and that goes up to \$10 million, we'll have a conversation."

While a management-fee model isn't new, it fell out of favor for what was considered the more transparent transaction-fee model, which itemizes all charges. This model, however, may be too cumbersome for the SME market, which has seen an uptick in subscription and all-in-one trip fee pricing in recent years.

JTB's back-to-the-future move to flat-fee pricing wasn't motivated by the Covid-19 pandemic—it has been offering the program for the past two years. But the structure helped buoy the TMC in the face of plummeting transaction volumes that have stung many transaction fee-reliant providers.

"We're not in a bad shape with [revenue]," said Shrivah. "We do have some clients still on a transaction-fee model—but by the end of the year, we don't want to have a single customer on that model," he said.

Otsuka America Pharmaceutical has used JTB's fixed management-fee structure since signing on with the TMC more than a year ago.

The structure proved crucial to Otsuka's management of Covid travel disruptions by ensuring resources were available to manage service calls. It remains critical to supporting a new company initiative aimed at facilitating the gradual resumption of travel in the wake of the pandemic, according to Danielle Amoroso, senior corporate travel and expense manager for Otsuka.

"That structure alone has helped us navigate [the pandemic] a lot better," Amoroso said. "It also allows JTB to be able to keep our original staffing in place, so as soon as we were ready to bring the hotel

"TMCs like transaction-based pricing when travel is strong, and we would prefer to be paid at a fixed rate when travel transactions are low. Travel buyers have the opposite objectives."

**Christopherson
Business Travel's
Mike Cameron**

pilot onboard, JTB had the staff ready to go."

Shrivah sees the model as much more than an elastic solution for Covid-era travel management. He sees it, instead, as a harbinger of an entirely new way of looking at how a travel management company serves its clients, including trips not booked with the agency of record.

JTB recently announced channel-agnostic trip servicing via its Open Choice program. Under the initiative, JTB provides support for bookings made through any channel, including online travel agencies or directly with suppliers. After a traveler books a trip, they forward the email itinerary to JTB, which subsequently provides services including trip disruption support and travel risk management—both expected to be increasingly high-value services in the post-Covid corporate travel environment.

"If you want to be true about where your value is, you have to say, 'You can book wherever you want, and no matter how you booked we'll still provide you with services like disruption assistance and global risk monitoring,'" Shrivah noted. "So we're giving companies the services they really value even though they book outside of JTB." The management-fee model wraps a commercial value on that, with the added benefit of shielding the travel management company from transaction valleys.

"A lot of TMCs are [exploring flat-fee pricing] now because there are no bookings," Shrivah said. "We didn't do it for that reason. We did it for the right reason, which is, 'How do I take care of the traveler in the right way?'" ■

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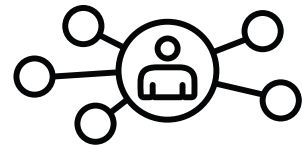
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Technology Is Your Friend

Midsize company Real Food Blends sees growth after pivoting to all-virtual events.

Prior to the Covid-19 pandemic, Indiana-based Real Food Blends, which makes pureed food for individuals with feeding tubes, depended on conferences geared toward medical professionals and smaller targeted events to grow its business. Since the pandemic began, all in-person events were canceled, and not all have switched to virtual options. But instead of a sales drop, the company has expanded its customer base by embracing technology opportunities and maintaining its events budget.

“There have been zero regional or national in-person events since mid-March, and there aren’t any plans for them for the rest of the year,” said Real Food Blends president Tony Bombacino, who co-founded the company with his wife, Julie, the CEO. They have a son, AJ, who

“Where should we do something bigger [since] we have a captive audience ... [and attendees] can log in on their laptops and be more focused on our brand and our product?”

Real Food Blends’ Tony Bombacino

is fed via a tube. “That’s tens of thousands of interactions that haven’t been happening, education opportunities, relationship-building opportunities. Somehow, our company is growing faster than it was last year.”

Bombacino wouldn’t reveal actual numbers; Real Food Blends

is privately held. However, he said growth over its lifespan—it started selling products in early 2014—has been anywhere from 40 percent to 500 percent year over year, and its travel and events budget is “into the six figures toward the seven figures.” He credited his company’s embrace of technology and quick pivot to all virtual events as one potential reason for the recent growth. “Technology is your friend,” he said.

TECHNOLOGY BENEFITS

One advantage the company had is that it already was versed in using Google Hangouts, Zoom, Webex and GoToMeeting as its staff is spread out across the country, with half working from home pre-pandemic. They began to use those platforms for external-facing meetings.

“GoToMeeting and Webex

have been better for [external events], and Zoom and Google Hangouts are more for our internal chats,” Bombacino said, adding that their costs have not been expensive. The company then started to host more educational webinars with the clinical registered dietitians on staff, and

those have attracted up to a few thousand viewers per event. It also replaced its smaller in-person “lunch-and-learn” events with virtual meetings.

In addition, Real Food Blends will host Instagram and Facebook Live sessions with a registered dietitian and field questions—the company has nearly 120,000 Facebook followers. “Those opportunities with one to many are obviously important especially since our events were canceled,” Bombacino said.

Regarding larger conferences, at first, most of those virtual events weren’t live. “It was people going in on their own time and checking things out,” he said. But going forward, “the most savvy people are the bigger conferences and they are thinking, ‘We’re charging tens of thousands of dollars for sponsorships, we have to drive value.’ So we are starting to see webcams and [the chance] to be live in a virtual booth, so when people ‘come by,’ we actually have a conversation instead of a follow-up email.”

Still, even the static conferences have brought better insight into return on investment metrics. At a live tradeshow, the staff won’t necessarily know who or how many people picked up a particular piece of marketing material. But in a virtual environment, the company knows exactly how many visitors its “booth” had, who clicked on what, who downloaded which materials, or where visitors were from. “You can see things on a more granular level,” Bombacino said.

CHALLENGES AND SUGGESTIONS

Of the challenges the company has faced, the biggest has been determining how to reallocate the events budget, which has not been reduced during the pandemic. “Where should we continue with a sponsorship versus do a lesser sponsorship, or, where should we do something bigger [since] we have a captive audience ... [and attendees] can log in on their laptops and be more focused on our brand and our product,” he said.

Another has been the last-minute decisions made by some conference hosts. The company might not know until the day before an event whether it will have a live portion. “The people hosting the conferences are trying to figure this all out in real time, and often you’re getting stuff last-minute,” Bombacino said.

For small and midsize companies looking to add virtual events, he recommends being flexible and suggests companies try out several tech solutions by using free trials to do so, and then start small.

“Do your homework, do some reading, but start with a small event,” he said. “Put together a dry run with a couple of friends or coworkers in different places. See what is clunky, what isn’t. Try dialing in using your mobile device versus your laptop versus your home phone. Make small mistakes. Don’t test out the new technology when you’ve paid a bunch of money to get 3,000 people on a webinar, and it doesn’t work.” ■

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Small Firms Tighten Traveler Safety Through Communication

There's no doubt about it: Corporates have axed business travel. That said, small and midsize enterprises—often without formalized travel managers—have cut back less and resumed travel more quickly than the big guys, according to Duke Chung, CEO of TravelBank. Chung sells his all-in-one travel and expense platform primarily to the finance teams of SMEs. And, he said, “When you look at the SME category, you do see a pickup in travel compared to the mid- and large-size companies.”

Beaverton, Ore.-based engineering firm GRI, which largely works with U.S. state government agencies, hasn't slowed down. “Our work has been full steam ahead in terms of projects,” said human resources manager and office administrator Harmony Miller. GRI was deemed an essential business early on, she said. What has changed amid the ongoing coronavirus pandemic is how much Miller is engaging in travel communication, in terms of location information, granular trip details and attention to traveler safety and well-being.

For SMEs, such conversations stand in for what a larger company might implement as a pre-trip approval and a formal risk-mitigation process, said World Travel chief information officer Ivan Imana, whose company recently launched a program to capture more of the SME market segment. Small businesses are checking the safety of a location before sending anyone into the

field, and getting approval by asking the traveler's supervisor directly, he said. “SMEs just want to get that approved and have insights, even before [they] start looking up procurement for that travel,” said Imana.

Employee-owned GRI is small—it has 38 technical staff. Given that and the fact that the company's travel footprint generally is regional, a low-tech approach to traveler education, risk mitigation and trip approval is manageable. Not having a dedicated travel manager hasn't been an obstacle to program effectiveness or employee productivity.

“The number of people we have traveling at any given time is counted on one hand,” Miller said. Still, it's her responsibility as HR and office manager to source the right travel providers, address any questions travelers may have about business locations and make sure all parties get the right details.

Those priorities, she said, definitely have changed.

Before the pandemic, travel bookings focused on convenience to the job site, for example. Now, Miller said, the firm is focused on “finding a hotel that's taking [the pandemic] seriously... and [on] how they are cleaning and what are their protocols.”

Miller said she relies on voluntary disclosures from properties about how they keep guests safe and whether they enforce protocols like mask requirements for employees and guests. But she's also following up with employees after they travel regarding their

comfort level in a given property and to better understand actual performance on these measures to inform future bookings. The company supports travelers who need to switch hotels upon arrival if their original choice isn't meeting protocol expectations, Miller said.

GRI also opened the travel program to homesharing accommodations, particularly for travelers on extended projects who prefer standalone lodging that minimizes personal contact. The choice, however, is up to the individual and their personal perceptions of what will keep them safe. “We've had a couple of people opt to get a long-term stay at an Airbnb rather than doing a hotel room,” said Miller.

FOLLOWING TRAVELER COMFORT ZONES

Chung said the flexibility to follow the traveler's comfort level is common among SMEs, allowing individuals to have final say over their travel conveyance and accommodation. The TravelBank expense platform, he said, has shown a significant shift to car rental options over flights, trains or subways as SME business travelers look to stay distant while still getting the job done.

That's the case for video technology provider ZVRS, which specializes products for the deaf and hard of hearing. Like GRI's Miller, ZVRS business manager Dawnmarie Caggiano said she has taken on an added layer of responsibility concerning employee health amid the pandemic

“Our work has been full steam ahead in terms of projects.”

GRI's
Harmony Miller

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and now makes sure travelers are briefed with critical information from her TMC, Corporate Traveler.

While the firm only allows trips deemed essential, such as installation at client homes, Caggiano said the company has not slashed its travel budget. Instead, it has shifted the budget to car rental options because travelers' own perception of what is safe has shifted. The company's largely regional travel still can happen on the ground. Plus, that travel needs to happen to keep the business healthy, too.

TravelBank's expense data also has revealed a huge uptick in mileage reimbursements, indicating that many SME business travelers are hitting the road in their own vehicles. Mileage reimbursement "went from a fairly low amount of spend to the No. 1 category of spend for May, June and July," Chung said. He expects August to turn out the same. He predicted SMEs' policies around personal vehicle usage could become more flexible—at least for the short term—again, to accommodate personal choice.

IS TRAVEL WORTH THE COST?

An economic downturn combined with Covid-19 risks means SMEs, like nearly all companies, are taking only the business trips deemed essential. Yet, said Chung, "A lot of these small businesses are fighting to survive, so as a result, they are a little bit more willing to be risk-taking when it comes to business travel."

When they do travel, added Imana, they will be looking at costs as well as traveler safety. "Any business, whether they are an SME or large enterprise, during these economic times, is looking and re-looking at finances completely," said Imana. "It just gets magnified if you are an SME. You've got to manage cash flow."

Such issues may also contribute to how willing individual business travelers are to hit the road.

At GRI, as at most companies both large and small these days, if an employee has concerns about their well-being, they aren't required to travel even though the firm is taking extra precaution and providing choice. "If [they] are not comfortable... that's OK. We'll see if anyone else wants to take that trip," confirmed Miller. That said, not a single GRI employee has declined a business trip. ■

Virtual Reality

Two SMEs and Chrome River pilot uncharted implementation waters.

Craig Lundskog, finance director and controller for Kaysville, Utah-based construction firm Great Basin Industrial, was nervous. A major monkey wrench had been thrown into the works of the company's implementation of expense management and accounts payable services from Chrome River in the form of the Covid-19 pandemic, which shuttered both companies' offices in the midst of the implementation process.

With both companies' staff working remotely, the hands-on testing and configuration workshop—a key implementation step that originally had been scheduled to take place over three days at Chrome River's client education facility near Phoenix—now would be entirely virtual. What's more, Great Basin would be the first Chrome River client to undergo the remote version of the workshop.

Given those uncertainties, the loss of what had been an eagerly anticipated opportunity to escape Utah's lingering April chill for the Arizona warmth was among the very least concerns for Lundskog. Responsible for improving process and financial efficiency for Great Basin, Lundskog was leading the 250-employee industrial

construction firm's shift to Chrome River from the competitor expense management provider it had used for the past eight years.

"We embraced it very gingerly at first," Lundskog said of the remote workshop concept. "I believe person-to-person is the best way to do business, so I was very apprehensive, honestly, that it wasn't going to work."

Oren Salzman, vice president of global procurement for New York City-based enterprise digital communications provider MetTel, had an additional cause for apprehension: his 450-person company never before had used an expense management provider, instead relying on manual Excel spreadsheets.

"The way we'd been doing expense was not sustainable, especially as MetTel had been growing at a rapid pace and had more people traveling," Salzman said, citing improved user experience and better data reporting as particular motivators of the company's decision to adopt an expense provider and ultimately choosing Chrome River.

Both Great Basin and MetTel were enrolled in Chrome River's 1-2-3 Go accelerated implementation program, which the expense provider launched in October 2019 in a bid to speed implementation times, which had

lengthened in recent years as the company added new features to its platform. The program tailors the process for individual clients.

“We were applying the same implementation methodology to every client and every project,” said Anne Becknell, senior vice president of customer success for Chrome River. “We had to figure out and analyze what was really needed and the proper approach for each client ... As a result of that work, we created the 1-2-3 Go design.”

The program offers a streamlined approach customized according to each particular client’s needs—and is particularly well-suited to SMEs for whom a lighter configuration of Chrome River’s platform provides sufficient functionality, Becknell noted.

The first step in the 1-2-3 Go process is what Chrome River calls a “Quick Start Questionnaire,” a detailed series of questions designed to assess the unique characteristics and needs of a client.

For both Great Basin and MetTel, that questionnaire turned out to be a valuable tool to fall back on during the subsequent virtual workshop phase.

“With the thoroughness of those questions, it became very evident further along the way in the implementation ... that the homework really paid off,” Great Basin’s Lundskog said. The industrial construction company had some unique needs—including building teams located at various project sites throughout the U.S.—critical information that was funneled to Chrome River through the questionnaire, he added.

For MetTel, which was

coming from a completely manual expense policy, the questionnaire served an additional purpose: spurring the company to get its house in order with regard to its expense management program as a whole.

“We used this opportunity to complete the questionnaire and also to clean up our environment, to enable all the proper approval processes, tag the right departments, the right general ledgers, the appropriate managers and so on,” said Salzman.

Under the 1-2-3 Go model, once Chrome River receives the Quick Start Questionnaire back from the client, the company builds out a customized system based on the responses, using remote design sessions with the client to fine-tune the structure of the platform.

The multi-phased prep work ahead of time meant that, by the time the virtual implementation workshop rolled around, the majority of the heavy lifting was done, enabling the process to run smoothly—and even with a bit more efficiency than might be expected of

than a day and a half, and then we were done.”

For MetTel too, the virtual model proved effective and efficient thanks to the prep work and the format itself.

“The switch to virtual was seamless because we spent a lot of prep time going in... and having all this legwork up front enabled a smooth transition,” noted Salzman. “We got it done way ahead of schedule because there was a motivation to maximize the time... so the technical limitation wound up actually being a benefit.”

While both Lundskog and Salzman said there were aspects of a face-to-face workshop that they’d missed taking part in, both companies found that the virtual alternative held plenty of real benefits.

The 1-2-3 Go process continued even after the platform was up and running for Great Basin and MetTel, with Chrome River providing virtual post-implementation support including instructional video clips to address user questions and online webinars, as well as a user community designed to

to use the expense platform—and ensure a positive experience when doing so.

“The system has a lot of [elements] to help the users, managers and administrators to operate the platform,” said Salzman. That simplicity and ease of use has been key in changing expense behavior for MetTel employees who were used to the old manual system, which had led to lagging expense discipline companywide before the Chrome River implementation, he noted.

“The best thing was that the system and apps were easy to use and intuitive,” Lundskog agreed, citing the platform’s gamification and rewards elements around user instruction as another important driver of compliance among employees.

Since its launch in October 2019, the 1-2-3-Go implementation process has been used by more than 50 clients, with more in the pipeline currently, said Chrome River’s Becknell. She went on to cite Great Basin and MetTel as two prime examples of the collaborative spirit needed to

“With the thoroughness of those questions, it became very evident further along the way in the implementation ... that the homework really paid off.”

Great Basin Industrial’s Craig Lundskog

in-person implementation sessions.

“It wound up being a very good experience, because we’d done so much pre-planning and working through the issues beforehand... and it actually took a lot less time than I thought,” said Lundskog. “It wound up being less

enable collaboration and information sharing between client companies’ expense managers.

Those elements bolstered change management efforts around Chrome River implementation for Great Basin and MetTel, helping drive both companies’ employees

ensure a successful implementation process—especially amidst the current all-virtual environment.

“The client’s commitment is key,” Becknell said. “And both Craig and Oren and their teams were very committed throughout the entire process.” ■

Five Ways to Make Business Travel More Productive

With business travel at a crawl during Covid-19, it's the perfect time to evaluate your travel program and think about a reset if it's not generating sufficient returns on your investment. As companies return to travel, the goal should be to maximize travel program productivity. To achieve this, you need to increase the output (business value) as a percentage of the input (travel costs).

Improving productivity will require a close look at costs and value. Corporate personnel typically have minimal insight into airline tickets that go unused and pay additional charges for basic functions like ticket changes, tracking travelers or after-hours support. Those are all potentially unnecessary costs that companies are incurring, which adds to the input.

On the other side of the equation, most companies don't pay enough attention to employee satisfaction with the travel program and its impact on productivity. Travelers who are treated like valued employees and provided with services that allow them to complete their trips with minimal friction are more focused and productive on the trip, delivering additional value, which increases the output.

The pause in business travel is a great time to create a productivity-focused travel program that addresses both sides of the productivity equation. Here are five tips that can help you maximize the productivity of your travel program.

1. Track the success of each trip and convert certain trips to video calls. As companies return to travel, they should make sure the trips they take are the ones most likely to drive value—and leave others to videoconferencing. Videoconferencing has been a strong substitute for travel,

but there will be certain trips that will be much more successful in-person than through video. It's a good idea to evaluate past trips in terms of productivity by type, ranking them on a 1 to 5 scale from most successful to least successful. The lower-ranked trips can be replaced by video calls, and the higher-ranked trips should be added to the travel budget when it's safe to resume travel. Then, through a post-trip survey, have the traveler rank the success of the trip so the company can continue to get feedback on which trips to travel for and which trips are better handled via video.

2. Measure traveler satisfaction.

The more energized a traveler is when traveling, the more productive they will be. Travelers should be treated as people and not line items on an expense report. Is there really a need to take a red-eye flight to meet with a customer the next morning? If you want them to work while on the flight, then pay more for them to have room to work. If they need to get to the airport hours before their flight for screening, have them wait in an airline club. And if disruptions occur while they are on the road, make sure they have access to assistance 24/7. Giving travelers the comfort of both some breathing room and support will reduce their stress and maximize performance when traveling. Afterward, measure the traveler's satisfaction by sending out a standard survey and posting the results to a reporting dashboard.

3. Simplify to a monthly subscription fee for travel. Most travel programs today pay a fee per transaction, and there are multiple transactions in every trip. There is the booking fee, a change fee, an after-hours fee, a fee for an international booking, and the list goes on and on. The more the company travels, the more it will pay in fees. In a subscription-fee model, you pay one



AmTrav president
and co-founder
Craig Fichtelberg

“The more energized a traveler is when traveling, the more productive they will be. ... Travelers should be treated as people and not line items on an expense report.”

fee for access to services. Typically, the more trips a company takes, the less it costs per trip. It's a simpler process with predictable charges, so it enhances productivity.

4. Track and encourage use of unused tickets through the booking process. Companies are holding onto a staggering amount of unused airline tickets right now due to the pandemic. Unused tickets historically have been difficult to track, but to improve productivity, companies need to find a way to centralize tracking and remind travelers of the credits they have so they can apply them before the credits expire. A reporting system that routinely summarizes unused ticket totals and expiration dates for travel managers is ideal to realize maximum productivity gains.

5. Lower risk through new safety measures. Employee safety is always a concern, but keeping travelers safe is more important than ever with ongoing coronavirus outbreaks. To boost productivity by providing peace of mind for traveling employees, companies should monitor outbreaks and block travel to affected regions. They should have the ability to identify Covid-19 safe accommodations that meet cleaning standards. It's also imperative to be able to provide travelers with timely updates in case conditions change and to be able to reach travelers as needed.

Whether you choose to find a partner in the travel industry to help you improve productivity or go it alone in-house, keep these five tips in mind. Budgets are tight with the business uncertainty caused by the pandemic, so it's important to maximize the productivity of your travel program. It's a simple matter of reducing costs (input) and increasing value (output). ■

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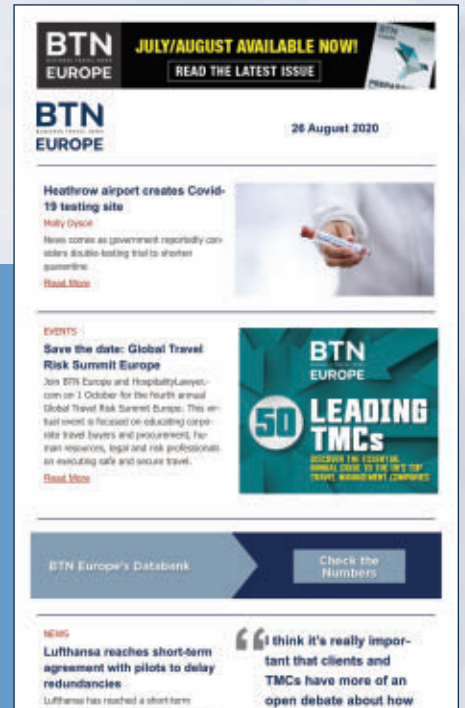
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