

# BTN

BUSINESS TRAVEL NEWS



**MANAGEMENT**

After a tumultuous year, the Global Business Travel Association appoints HRS executive Suzanne Neufang executive director.

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**LODGING**

The business travel and hospitality industries pay their respects to Marriott International's influential CEO, the late Arne Sorensen.

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**VOICES**

Travel managers should seek to partner more closely with HR to improve virtual and hybrid meetings, argues Bizly's Kevin Iwamoto.

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## TOP STORY



BY ELIZABETH WEST

## Rescue Mission

**SWEEPING U.S. LEGISLATION OFFERS AIRLINES PAYROLL EXTENSION SUPPORT AS VACCINATION EFFORTS PROCEED.**

President Joe Biden on March 11 signed the \$1.9 trillion American Rescue Plan, which includes among other transportation industry funding \$14 billion in direct aid to airlines for payroll support programs. Like previous emergency funding packages disbursed to the hard-hit travel category, including those provided in the \$2.2 trillion CARES Act last March and the \$900 billion coronavirus relief bill passed in December, the aid comes with requirements. The new payroll extension must be used to maintain current employee rosters through Sept. 30, 2021, and recipient carriers must refrain from buying back stock, issuing dividends or increasing executive compensation through Sept. 30, 2022.

The Rescue Plan comes through just as layoff limitations stipulated in the previous round of aid approved in December were slated to end on March 31. Both

CONTINUED ON PAGE 17

## Passport to Travel's Return?

*Digital health certification tools could help spur the industry's recovery.*

BY ADAM PERROTTA

With vaccination programs humming along, at least in the United States, and social distancing measures being relaxed, the long-awaited return of corporate travel finally appears to be on the horizon. But there won't be a simple reversion to business as usual. Among the most significant new elements of post-pandemic travel—particularly in the first phases of the recovery, with entry controls still in place—will be the need to prove vaccinations and/or negative test results to access a particular jurisdiction or venue. To meet that need, a number of stakeholders in recent months have rolled out “digital health passports” designed to certify that a traveler meets the relevant entry criteria.

But while such passports promise to play a key role in getting corporate travel up and running, especially on the international level, many questions remain to be answered and

concerns addressed. Chief among them are issues of data security, user privacy protection, interoperability and equity. The challenges on those fronts are significant, but stakeholders across the corporate travel ecosystem see the potential of digital health passports in bolstering the industry's return and are using technology in a variety of ways to address them and support travel's safe resumption.

### Banking on Blockchain, Biometrics

The digital passports that have cropped up over the past several months share a few main similarities, such as taking a smartphone-centric approach and building out a network of participating medical providers and labs to actually administer the vaccines and tests.

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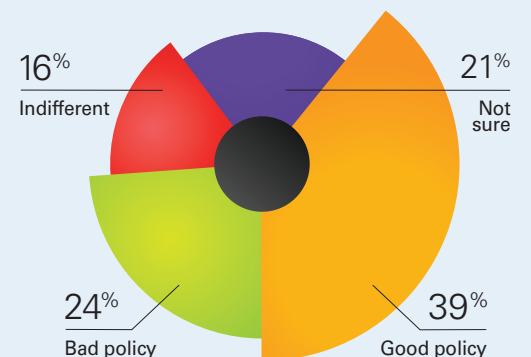
SalesTrip CEO Manoj Ganapathy discusses the pairing of travel management with customer relationship management.

*“Companies are no longer willing to accept [paying for] travel as the cost of doing business, and instead are shifting to understanding the tangible outcome of travel spend.”*

## 6 | Data Hub

### Travel Managers on Vaccine Mandates

Do you support companies requiring Covid-19 vaccines for employees before allowing them to travel for business?



Source: Global Business Travel Association Feb. 8-18 surveys of 274-370 member travel managers and procurement professionals

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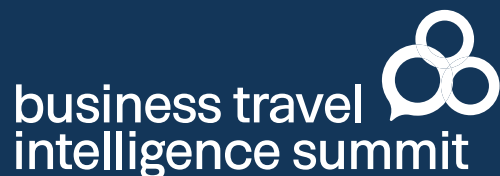
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# Amid Recovery, Business Travelers Could Face a Rental Car Shortage

*A dearth of semiconductors raises availability concerns.*

BY DAWIT HABTEMARIAM

“Can you even get a reservation?” “How long are you willing to stand in a line?” Those are some of the questions business travelers may have to ask this summer if car rental suppliers don’t have enough vehicles available to service them, according to DK Consulting Group CEO David Kilduff. If travel resumes faster than expected, some car rental companies—managing already reduced fleets—may come up short due to ongoing small fleet orders and a global shortage of semiconductors, which are critical components in car manufacturing.

Suppliers are starting out 2021 with smaller fleets due to the cost-cutting measures they took last year. “When demand dropped by 90 percent in the spring, the industry was able to immediately lay off its staff in the tens of thousands as well as de-fleet by canceling orders,” said car rental consultant Neil Abrams. Not taking in new cars while aggressively taking out cars likely slated to be de-fleeted anyway unloaded “hundreds of thousands of cars,” for struggling suppliers, he said.

Avis Budget Group, for one, in 2020 sold more than 22,000 vehicles to consumers, according to the company’s fourth-quarter earnings report.

## Stretching Rentals

National Car Rental SVP of business rental sales and global corporate accounts Don Moore told BTN, “The market will be smaller in regard to car availability. There are certain companies that have had to constrict their fleets to stay viable.”

Changing rental patterns and increasing demand could challenge these smaller fleets if the corporate market awakens in the latter half of 2021.

Business travelers, many of whom during the pandemic have been driving more than flying, also are holding on to their rentals for longer periods of time and over longer distances. “We have noticed a significant increase in customers willing to drive further. They are definitely driving further than they used to,” said Moore. “Our length of business rental has gone up. Typical business rental is between four to six days, depending on the types of rental. Now it’s closer to six days. I think that trend will not change much over the next couple of quarters.”

Avis Budget Group CEO Joe Ferraro noted the same trend last month during the company’s fourth-quarter earnings call. “What we are seeing is our commercial clients are keeping their cars a whole lot longer,” he said. “If you look at our fourth quarter, our commercial customers kept their cars almost 80 percent longer than they did in the previous year.”



**“Some car rental companies have ordered very few cars going forward, enough where it can be an issue for availability for corporate travelers when renting during the summer and in the future when travel starts back.”**

—DK CONSULTING GROUP’S  
DAVID KILDUFF

## Seeking Semiconductors

Financially challenged car rental companies, however, have not increased their car orders, according to Kilduff. “Some car rental companies have ordered very few cars going forward, enough where it can be an issue for availability for corporate travelers when renting during the summer and in the future when travel starts back,” he said.

“We have thousands of vehicles already ordered all the way through the end of the calendar year,” Moore told BTN. Kilduff said Enterprise Holdings, the parent company of National Car Rental, has ordered more new cars than have other car rental firms.

On top of the fewer industrywide orders, there’s a semiconductor shortage that may delay the delivery of the few orders that were made. In North America, General Motors, Ford, Stellantis, Toyota, Volkswagen, Honda, Nissan and Subaru are being forced to adjust their production schedules due to a scarcity of semiconductors, according to Car and Driver. Some financial analysts expect the shortage to continue into next year, according to MSN’s MarketWatch.

“The semiconductor shortage is going to have an impact on new cars in general and our industry,” said Ferraro. “We do believe this will have an impact on fleet delivery and availability in our industry,” he said.

“As for Hertz, we have long-standing close relationships with our OEM [original equipment manufacturer] partners and we are working closely with them to receive fleet orders as soon as possible but do anticipate some delays,” a Hertz spokesperson told BTN.

## Stemming a Shortage

President Joe Biden last month signed an executive order mandating a 100-day review of supply chains for semiconductors and other critical materials in order to formulate policies that ramp up domestic production. The White House said the order won’t solve the semiconductor shortage in the near term and is intended to support long-term plan formulation. In the meantime, car rental providers will vie for their share of fewer vehicles in the market.

If there aren’t enough cars to meet customer demand, both leisure and business travelers will feel the consequences. “Leisure prices will most likely skyrocket because fleets are currently very reduced and there are some rental car companies ordering very little fleet for delivery at this time,” Kilduff said. “Whereas corporate accounts are locked in long-term on their pricing. What will happen will be availability issues if travelers start traveling starting this summer and beyond.”

Car rental suppliers said they are confident that their logistics, staff and relationships with car manufacturers are strong enough to weather any potential shortage. “Based on our discussions, we believe we have the logistics and internal sophistication within our team to manage our fleet size appropriately,” Ferraro said during the earnings call when asked about the semiconductor shortage.

“We can grow our fleet by adding new cars, and we can also grow our fleet by not selling cars that we were supposed to sell,” Moore said. “At any given month, because we own a million vehicles, we sell thousands of vehicles, but if we decided that we can’t, we’ll get our new cars that come in, but we’ll keep the ones we were going to sell for an extra month or two.” ■





# For Model Mix, SalesTrip Touts CRM, T&E Pairing

An industrywide re-evaluation of corporate travel and expense management service models could well be among the most transformative long-term effects of the Covid-19 pandemic. The sudden outbreak of the virus a year ago laid bare weak spots and inefficiencies in traditional structures, while the subsequent shutdown of travel gave corporate buyers the opportunity to step back and re-evaluate foundational aspects of their T&E programs.

That openness to change could be a ripe opportunity for providers operating outside of the traditional travel management company-centric paradigm. One such model, which had been gaining ground even before the onset of Covid, situates some corporate travel operations within the framework of customer relationship management (CRM) systems.

That's the foundational principle of SalesTrip, a booking and expense management tool that operates within CRM behemoth Salesforce. Launched in 2019, the London-based company has scored clients on both sides of the Atlantic and in January closed a seed investment funding round. SalesTrip founder and CEO Manoj Ganapathy spoke with BTN payments and tech editor Adam Perrotta about the advantages of uniting T&E with CRM, and his vision for how that model will thrive in the post-pandemic landscape.

### **SALESTRIP HAS ADDED NEW CUSTOMERS OVER THE PAST YEAR. TO WHAT EXTENT WAS THAT DRIVEN BY COMPANIES RE-EVALUATING THEIR APPROACH TO TRAVEL AND EXPENSE DURING THE DOWNTIME, WHEN THERE WASN'T ANY ACTUAL TRAVEL TO SUPPORT?**

For the most part, we have seen demand from companies looking for ways to better understand their employees' discretionary spend. The significant downturn in travel has allowed them the time to do this, [and] accelerate the consolidation of the data silos still prevalent in corporate travel. And, as part of companywide cost-cutting initiatives, they're no longer willing to accept [paying for] travel as the cost of doing business, and instead are shifting to understanding what the tangible outcome of travel spend is. They want to know the real impact a trip will have ... and exactly what future revenue can be expected as a result of the travel.

### **BUILDING TRAVEL AND EXPENSE CAPABILITIES WITHIN SALESFORCE OFFERS A VALUE PROPOSITION WHEN IT COMES TO TYING EXPENDITURES TO SALES AND CALCULATING ROI FOR BUSINESS TRAVEL. ARE THERE ANY OTHER ADVANTAGES TO THAT MODEL?**

There are many, including the ability for companies to create a branded user experience {to drive} employee engagement, and the use of dynamic or situational workflows, such as releasing a travel budget when a sales deal reaches a certain stage. But the most important is the ability to predict future travel volumes and spend. As SalesTrip [measures] travel booking and ex-



SalesTrip's Manoj Ganapathy discusses:

- The value of a subscription pricing model
- Shifts in travel evaluation due to the pandemic
- The potential allure of a CRM platform to TMCs

**"The laser focus on costs forced by the pandemic will shift the future of travel away from that costly [transactional] model and towards the more flexible subscription model."**

pense management against specific business activities ... customers are able to analyze how much travel was required at different stages of the sales lifecycle. It's then possible to predict the probability of success for future trips. Lastly, given Salesforce is a [software-as-a-service] platform, customers benefit from the predictability of a subscription pricing model. We don't charge transactional booking fees, so customers aren't faced with fluctuating costs depending on the volumes of travel. Right now, with business travel grounded, that isn't such a concern. But when it resumes, the last thing a finance leader needs are high and unpredictable costs.

### **WHAT EFFECT HAS COVID-19 PANDEMIC HAD ON THE NEEDS AND WANTS OF YOUR CUSTOMERS WHEN IT COMES TO TRAVEL AND EXPENSE? HOW ARE YOU POSITIONING YOURSELF TO MEET THOSE NEW DEMANDS?**

The needs of our customers have simplified in that we're not seeing requests for high-touch travel services. As such, the demand is from very practical buyers who wish to know the why behind spend. ... This is really the foundation of SalesTrip, and so we're well-positioned to meet these demands.

### **HOW CENTRAL OF A ROLE CAN A CRM-BASED SERVICE MODEL PLAY FOR A COMPANY'S TRAVEL OPERATIONS? CAN THIS MODEL REPLACE A TRADITIONAL TMC—EVEN FOR LARGER COMPANIES—BY PROVIDING THE FULL ARRAY OF NECESSARY "TMC-LIKE" SERVICES?**

We're a licensed travel agency in several countries so [we can] serve as a TMC, meaning there is no need for customers to commission a separate service. We are not, by design, a high-touch TMC, however, so we understand that some customers might want to retain existing relationships with the more traditional TMCs. We're flexible to these needs, and a small percentage of our larger customers use another agency for their ticketing and offline service. But it's no secret that the fees these traditional TMCs charge are, for the most part, unjustifiable. Charging online booking fees for something which is by definition self-service can rub buyers the wrong way. As a result, the laser focus on costs forced by the pandemic will shift the future of travel away from that costly [transactional] model and towards the more flexible subscription model.

### **IT SEEMS LIKE THE CRM ECOSYSTEM/CHANNEL ALSO COULD BE AN ATTRACTIVE AVENUE FOR TRADITIONAL TMCs TO REACH CLIENTS, INCLUDING SMALLER COMPANIES WITHOUT MANAGED TRAVEL PROGRAMS. HAVE YOU SEEN INTEREST FROM TMCs IN THIS SPACE?**

Our previous research revealed that 80 percent of travel spend is incurred by [companies'] commercial teams. That same 80 percent live in CRM systems, using them on a daily basis. The potential reach is clear to see, and combined with the scalability of a cloud platform, represents a significant channel. We knew this when founding the company, and the more progressive TMCs see the exact value we provide that can augment their own offerings. Combining the services of a TMC with direct travel booking and expense management via the CRM platform offers clear advantages to the customer, not only for ease of use but also in cost savings. It's not easy to connect the transaction-built world of the travel industry to a ... highly customized modern CRM system, but there was a clear need for it, and is exactly why SalesTrip was founded. ■

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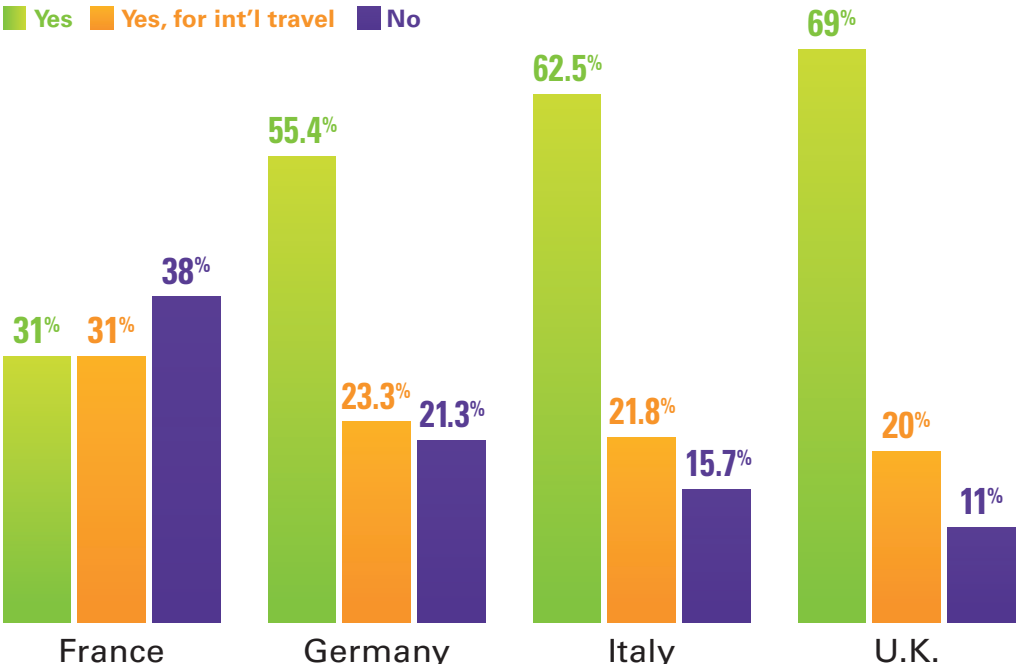
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# Should Vaccines Be a Prerequisite for Business Travel?

The pace of Covid-19 vaccination in the United States is picking up—even as it lags in Europe and elsewhere—and that seems to be spurring a noticeable uptick in leisure travel bookings this month. It also spotlights the question of whether organizations should mandate their travelers receive a vaccine before hitting the road; nearly one in 10 employers worldwide already plan to do so. Meanwhile, in Europe, the notion of holding passports with travelers' vaccine information appears popular, with the notable exception of France.

## ARE YOU WILLING TO CARRY A VACCINE PASSPORT?



Source: Euronews/Redfield Wilton Strategies Feb. 25-March 1 survey of 6,000 people

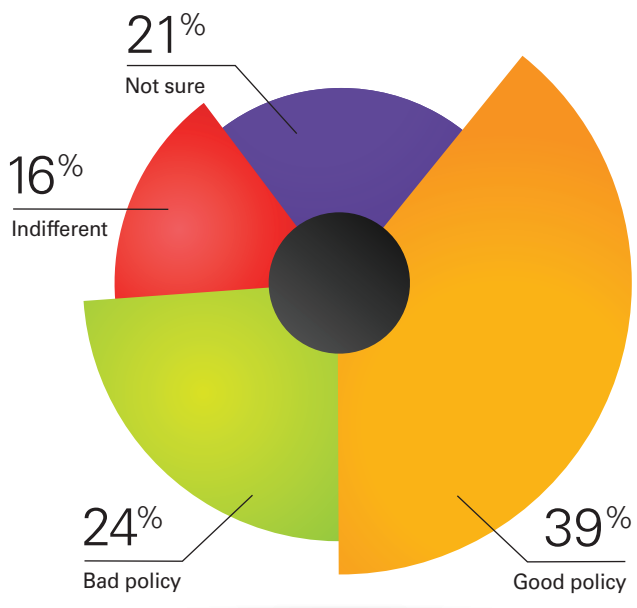
# 36%

U.S. CONSUMERS WHO FEEL SAFE FLYING RIGHT NOW, UP FROM 29% IN JANUARY.

Source: Deloitte's State of the Consumer tracking survey

## TRAVEL MANAGERS ON VACCINE MANDATES

Do you support companies requiring Covid-19 vaccines for employees before allowing them to travel for business?



Source: Global Business Travel Association Feb. 8-18 surveys of 274-370 member travel managers and procurement professionals

## EMPLOYERS ON VACCINE MANDATES

Will your company deploy policies that differentiate based on employee vaccine status?

|  |       |
|--|-------|
| Vaccination required for business travel | 9.1%  |
| No                                       | 29%   |
| To be determined                         | 47.3% |

Source: Mercer January-February survey of 1,294 employer respondents worldwide

## ARC: U.S. LEISURE/CORPORATE AIR SALES SPLIT GROWS

| 7-Day Period Ending     | Agency type vs. same week in 2019 |               |               |
|-------------------------|-----------------------------------|---------------|---------------|
|                         | Corporate                         | Online        | Leisure/Other |
| Feb. 21                 | -84.7%                            | -46.4%        | -67.8%        |
| Feb. 28                 | -82.9%                            | -40.3%        | -62.8%        |
| March 7                 | -82.8%                            | -37.2%        | -60.3%        |
| March 14                | -83.1%                            | -37.6%        | -59.4%        |
| <b>52-week average*</b> | <b>-88.3%</b>                     | <b>-63.1%</b> | <b>-75.8%</b> |

\* Rolling average of prior 52 weeks vs. full-year 2019  
Source: ARC

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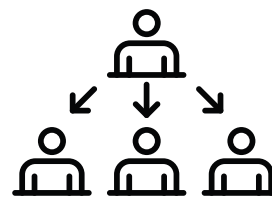
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## Suzanne Neufang Gets GBTA Executive Leadership Nod

*The former HRS and Sabre exec steps in at a fraught moment for the association.*

BY ELIZABETH WEST

The Global Business Travel Association has appointed HRS Global Hotel Solutions SVP Suzanne Neufang executive director, the organization announced last month.

GBTA has been without a permanent leader since the board of directors in June 2020 placed former CEO Scott Solombrino on administrative leave pending an investigation into workplace misconduct. While the investigation cleared the embroiled CEO, Solombrino and GBTA mutually agreed to part ways this summer. Former United Airlines SVP global sales Dave Hilfman came out of retirement to fill an interim executive director role. At the same time, GBTA hired association consultancy MCI-USA to assess the effectiveness of the organization and to take the lead in conducting an executive search, supported by an internal GBTA committee helmed by Hilfman.

According to a GBTA release, Neufang beat out more than 130 candidates for the position.

Speaking to BTN in the fall, Hilfman said the organization was looking for an individual either inside or outside the industry but would preference a candidate with association experience, calling the GBTA organization “complex” and requiring a deft hand to manage the often-divergent interests of buyer and supplier members along with a distributed local chapter structure and numerous volunteer committees.

Neufang’s resume fits that bill. Aside from sales and management success in major supply-side roles, she also served in a volunteer role from 2012 to 2014 as board president of the former Association of Corporate Travel Executives alongside then-executive director Greeley Koch. She stayed on as an ACTE board member until 2018 and briefly served as ACTE interim executive director in 2012. As such, she brings insider knowledge of that organization as GBTA works to leverage the ACTE assets it acquired last fall, after the smaller association folded in April.

Neufang’s appointment could prove a major piece in reassembling ACTE’s value proposition. Koch, now a consultant with DigiTravel Consulting, since November has co-chaired a committee with GBTA president Christle Johnson designed to merge the best of the two organizations. GBTA also recruited two key ACTE advisory members, American Airlines chief customer officer Alison Taylor and Tesla global travel buyer Steve Sitto, to the board. An individual close to the discussion told BTN that GBTA would focus the ACTE assets on building the organization’s education offerings, which were broadly considered superior to what GBTA historically provided.

The MCI assessment, as well, identified industry education and training as critical to GBTA’s future. In a letter to membership last fall, Hilfman highlighted buyer training and development as “areas of opportunity for new and increased revenue for GBTA” and noted that “the current market challenges lend themselves to a focus on this area to deliver current member value, drive retention, and attract new members.”

The industry also will watch how well Neufang is able to represent all association constituencies as managed travel struggles to recover in the era of Covid-19.

“It’s not a secret that business travel is at an historic low point as a result of the Covid -19 pandemic, but in crises we find opportunities to be bold and to excel,” said Neufang in a press statement. “Business travel has been down before and we have recovered—always coming



New GBTA executive director Suzanne Neufang

**“Business travel has been down before and we have recovered—always coming back more technologically savvy, data-focused, and globally connected. The key questions for me are when we as an industry will recover, and how we as GBTA can drive economic and industry recovery to be even faster.”**

back more technologically savvy, data-focused, and globally connected. The key questions for me are when we as an industry will recover, and how we as GBTA can drive economic and industry recovery to be even faster.”

But Neufang will face not only external challenges of serving the membership and providing vision to guide the industry out of the Covid-19 decimation. She also will face what has been significant structural strife within the organization, including concerns about diversity among the association’s volunteer leadership, transparency at the board level and workplace friction with key staff, all of which has affected confidence in, sponsorship of and volunteerism for the GBTA organization.

At the height of GBTA’s controversial summer, major buyers from pharmaceutical, health care and financial industries told BTN they had canceled their memberships with the association. One called the organization “obtuse.” Major industry suppliers had pulled sponsorship dollars and were publicly criticizing the organization. GBTA committee members suspended activities and threatened to resign en masse.

SAP Concur was one of the first to withdraw its support from the organization in June. Chief product strategy officer Mike Koetting wrote on LinkedIn in June:

“Do you believe that [Solombrino’s] words and actions, ... and those of the GBTA Board, demonstrate our industry’s best behavior and leadership? I do not, and neither do my co-workers at SAP Concur. The business travel industry attracts the very best and brightest from all over the world, and yet the leadership of its namesake association is insular and opaque. ... We deserve better.”

Koetting exhorted the industry not to “quietly accept the erosion of our standards and values.”

Neufang responded at that time to the post: “Well said, Mike.” She stepped into the gap officially Feb. 24.

While Hilfman told BTN last fall that many of the association’s fractured relationships had been mended, GBTA will rely on Neufang’s leadership to deliver on that renewed trust.

Neufang called the GBTA role a “pinnacle career opportunity” and described it as a way to give back to the industry she loves.

Before her stint with HRS, Neufang held executive positions with travel suppliers including Sabre, GetThere and Travelocity. ■



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Derek Dixon, Travel Coordinator – Americas,  
Aberdeen Asset Management



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# Deloitte Targets Emissions With AA, Delta Fuel Deals

BY MICHAEL B. BAKER

Deloitte has reached agreements with both American Airlines and Delta Air Lines to buy sustainable aviation fuel that offsets the environmental impact of its business travel.

As part of Deloitte's agreement with Delta, the carrier has entered into a separate supply agreement with Neste, which produces low-emission fuel for aircraft from renewable waste and residue materials. Other carriers, including American, JetBlue and Alaska Airlines, already have been using fuel from Neste.

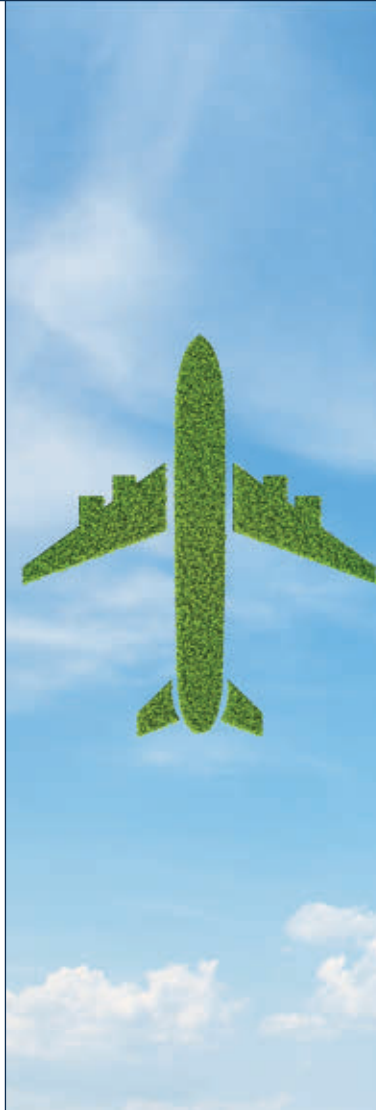
Delta won't use the fuel on specific flights, as it is designed to be dropped into existing infrastructure and mixed with conventional fuel. Delta then will report emission reductions related to the fuel to Deloitte, which they can apply to their own flights, according to a Delta spokesperson.

The amount of fuel in the agreement equates to a reduction of about 1,000 metric tons of carbon dioxide, or the amount sequestered by 1,306 acres of forest, according to Delta.

"This collaboration with Deloitte is one example of how companies can work together to meet goals we are equally passionate about," Delta CEO Ed Bastian said in a statement. "Sustainability is core to who we are, and it is important to our corporate customers for whom air travel is a significant part of their carbon footprint."

Similarly, with American Airlines, Deloitte will be able to report a reduction of Scope 3 emissions—indirect emissions, which includes business travel—associated with the amount of sustainable fuel used, according to an AA spokesperson. Their agreement cuts life cycle emissions by 3,050 metric tons of carbon dioxide, the equivalent of about 10,000 passengers flying one-way from New York to Los Angeles, according to the carrier.

As availability and price remain an obstacle for sustainable fuel to significantly cut total airline emissions, Deloitte and American also are working with entities including the World Economic Forum to develop a certificate related to investment in sustainable aviation fuel. Such a certificate is not yet available, but agreements like the one between American and Deloitte can help demonstrate the market for them exists and set an example for



other corporate travel programs looking to decrease emissions, according to an American Airlines spokesperson.

"We recognize the important role the business community plays in facilitating the transition to a low-carbon economy," Deloitte U.S. CEO Joe Ucuzoglu said in a statement. "It's a monumental task no organization can solve alone, which is why we're looking forward to working with American Airlines on a new concept to accelerate adoption of a fuel source that can dramatically reduce emissions from aviation."

Both carriers said the agreement with Deloitte is among the first in which an airline and corporation are collaborating directly to cut emissions via sustainable fuel. In October, Microsoft reported an agreement with Alaska Airlines in which it buys sustainable fuel credits to offset travel on its busiest routes with the carrier, and Microsoft in 2019 established a similar agreement with KLM.

The agreements will help Deloitte toward a goal of cutting business travel emissions per employee by 50 percent by 2030 and reaching a total net-zero emissions by that same year, according to the company. Deloitte's business air travel for the 12 months ending May 31, 2020, accounted for about 383,000 metric tons of carbon dioxide equivalent emissions, according to the company's annual sustainability report. Other business travel sources accounted for an additional 202,000 metric tons, according to the report. Deloitte ranked at the top of BTN's 2020 Corporate Travel 100 list of largest business travel accounts. ■

## Amex GBT Launches Workspace Booking Service

BY DONNA M. AIROLDI

American Express Global Business Travel has launched a workspace booking service for remote workers and small teams, the company announced. Bookings can be made via GBT's Meetings Express platform, which the company launched in 2019 to service small and simple, and recurring meetings. The platform is supported by MeetingsBooker.com.

Dubbed Workspaces, the new service allows customers to make flexible, daytime bookings of meeting venues, co-working spaces, guest rooms with desks, converted suites and small hotel meeting rooms to use as work and collaboration spaces.

GBT said it saw the need for such a service with more people working remotely, companies downsizing corporate office footprints, the rising demand for a workspace outside of one's home, and the need for "cost-efficient options

for staff to get together where office use is restricted."

"We all understand the value of face-to-face interactions, and that remote workers need to meet with colleagues, partners and customers, when and where they can do so safely," said GBT VP of global supplier partnerships Wes Bergstrom in a statement. "And we recognize that remote workers sometimes need quiet space away from home, where they can work undisturbed."

The tool aggregates content and enables customers to keep bookings within the corporate travel program, giving visibility and control on spend and employee activity, according to the company. Customers also will have access to preferential rates, terms and amenities from GBT's hotel partners.

MeetingsBooker.com launched its remote workspace solution in November. "Meetings used to be more about

business travel, but now [they involve] real estate and human resources as well," Meetingsbooker.com founder and CEO Ciaran Delaney told BTN. "We are seeing in a lot of bigger organizations the meetings world and real estate begin to converge. In some cases, organizations are closing offices, and they need a place for teams to meet that normally would have been in the office."

Delaney added that he sees not only the need from employees who require more flexibility than working from home but also hotels using the solution and selling workspace products they've created. This adds to the number of coworking space providers Meetingsbooker.com already works with, including Regis, Serendipity Labs and Convene, he said. "There will be quite a selection of spaces—hotels and more traditional coworking spaces. People will have plenty of choices." ■

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## Industry Pays Respects to Marriott's Arne Sorenson

Condolences and tributes poured forth from members of the hospitality industry and beyond following the Feb. 15 death of Marriott International president and CEO Arne Sorenson, after a battle with cancer. Sorenson was the company's third CEO and the only one without the last name of Marriott.

His influence extended outside the hospitality sphere, and Marriott has received a long list of awards and recognition under his helm, including recent honors for being not only one of the world's best employers but also for being a top employer for women, parents, diversity, disability inclusion, LGBT equality, Millennials, new graduates and workers over the age of 50, among other groups. Sorenson in 2019 was named the CEO of the Year by Chief Executive Magazine, and was placed on Forbes' "America's Most Innovative Leaders" and Barron's "World's Best CEOs" lists.

"Arne was a visionary leader driven by passion for his people, the millions of associates around the world who worked for and with him and by a desire to spread a love for travel," wrote American Hotel & Lodging Association president and CEO Chip Rogers on LinkedIn. "He was an icon in our industry, dedicated to improving the lodging experience for the guests we serve and the people who serve them. Arne's battle against cancer embodied the qualities that made him such an exceptional human being—endless optimism, perseverance and servant leadership. His touch on the hospitality industry will be felt for generations."

"This is a huge loss. ... Arne always offered a vision that extended well beyond the lodging sector he so expertly represented," said U.S. Travel Association president and CEO Roger Dow. "To me, Arne was more than a professional colleague with whom I shared a special Marriott bond, he was an ally, a trusted friend and a partner. He also lent his considerable talents to U.S. Travel, particularly as chair of our CEO roundtable, but also in countless other ways. I will miss him terribly."

"I am deeply saddened by the heartbreaking



**Arne Sorenson**  
1958-2021

news of Arne Sorenson's passing," wrote Hilton Worldwide president and CEO Christopher Nassetta on LinkedIn. "He was an incredibly respected man, a leader in hospitality, and a devoted husband, father and friend. It's been a true honor to work alongside him on behalf of our great industry for so many years, and I will miss him and the friendship we've built."

"Arne was a great partner, always a warm and gracious friend—and I will miss him dearly," wrote Hyatt Hotels Corp. president and CEO Mark Hoplamazian on LinkedIn. "The entire Hyatt family sends their heartfelt sympathy to all of our fellow hoteliers at Marriott."

"When [Arne] spoke, people wanted to listen, and when he led, people followed," wrote IHG Hotels & Resorts CEO Keith Barr on LinkedIn. "That is the mark of a great leader and his legacy at Marriott speaks for itself, not just in how he consistently raised the bar to grow the company, but also in the way he championed progress on important social and environmental issues and represented our industry with such grace in the best of times and in the most challenging of times."

"I was extremely sad to hear of Arne's passing earlier today," wrote Accor chairman and CEO Sébastien Bazin in a statement to BTN. "He was someone who I admired and respected on so many levels; a true leader and visionary. His business acumen was second to none, but beyond that he was a remarkably empathetic man who cared deeply about our industry and the people in it."

"Arne Sorenson was an incredible man," Marriott SVP of global sales Tammy Routh wrote to BTN in an email. "I learned so much over the many years of observing his leadership brilliance, which was a combination of vision, character, inclusion and treating every single person he met with dignity. He will be greatly missed; his Marriott family is committed to carry on his tremendous legacy."

"The world lost a bright light with his passing," wrote Marriott director of group sales Ken Oehlers on LinkedIn. "He pushed our company to greater levels of being human. He pushed for more diversity in our company, advocated for working mothers and the underrepresented to have a seat at the table. He pushed the company forward on social issues affecting our time and met the weighty burden of Covid-19 with compassion and calm. It cannot be overstated what a wonderful human Mr. Sorenson was and the genuine goodness he embraced in the world. He will be missed and mourned by all."

BTN named Sorenson five times in a row to its annual Most Influential list, from 2014 to 2018.

In 2018, Sorenson also merged the Marriott Rewards, Starwood Preferred Guest and The Ritz-Carlton Rewards programs into a single loyalty account, bringing membership to about 120 million. The company rebranded the program and launched Marriott Bonvoy in February 2019, with Sorenson having the vision to call the program Marriott's "most important brand ... because that is what binds our relationship with our customers across the entire portfolio," he said during a 2019 earnings call. Today, Bonvoy has more than 140 million members, according to the company. ■

### Marriott Names Capuano CEO, Linnartz President

Marriott International appointed former group president of global development, design and operations services Tony Capuano as its new CEO. Capuano, 55, joined Marriott in 1995 and stepped into his more recent position in 2009. In his role leading global development, the company grew its footprint from just over 3,200 properties in early 2009 to more than 7,600 by the end of 2020.

Marriott also named former group president of consumer operations Stephanie Linnartz president. Linnartz, 52, began her career with Marriott in 1997. She assumed her group president role in 2019, where she was responsible for the brand, marketing, sales, revenue management, customer engagement, digital, information technology, emerging businesses and loyalty strategies. She previously had served as global chief commercial officer from 2013 to 2019.

— Donna M. Airolti

# HRS Launches Hotel Green Appraisal, Database

Corporate lodging platform HRS has created a solution that allows corporate travel managers and travelers to select hotels based on sustainability scores, which HRS calculates using a proprietary formula taking various inputs into account, the company told BTN. Dubbed its Green Stay Initiative, the move comes as sustainability programs and carbon-reduction efforts gain visibility at many corporations.

“It’s a mega-trend; there is great new momentum and acceleration in the space,” said HRS chief product officer and Green Stay Initiative team leader Martin Biermann, citing The Climate Pledge, an effort co-founded by Amazon in which dozens of companies—including EY, Microsoft and Siemens—aim to be carbon-neutral by 2040, 10 years ahead of the Paris Agreement goal.

Further, governments around the world are introducing increased taxes and penalties on CO2 emissions, and “greenwashing—buying certificates to offset emissions, such as by planting trees—is no longer accepted by corporate leaders and boards, nor by governments,” Biermann said. “There is relevance for corporate travel, and the need for how to manage this is increasing. It’s trickling down from the board and top management to intermediate management levels.”

## How It Works

According to an HRS client survey in 2020, 88 percent of respondents prefer a hotel that provides transparency on its sustainability measures, Biermann said. Assessing hotels’ environmental practices, however, is complicated by the lack of a market standard, the need to meet internal corporate sustainability requirements and the demand for guidance to travelers. HRS found that one-third of its hotel partners have a sustainability program in place. However, methodologies, reporting standards and more vary considerably.

To address this problem, HRS is building its sustainability database with a proprietary scoring system that takes into account a hotel’s energy consumption, water use and waste disposal to determine its footprint value. The system is based upon guidelines established by such organizations as the Greenhouse Gas Protocol, the Hotel Carbon Measurement Initiative, the Sustainable Hospitality Alliance and the World Travel & Tourism Council, according to HRS.

One key component of this process was to normalize the key performance metrics, then benchmark them by destination, Biermann said, giving the example of hotels in Siberia versus those in southern climates. “You cannot compare them. You need to look at local climate conditions, then benchmark them in the same destination with each other, while still providing buyers and travelers globally access to this benchmark.”

Similar to HRS’s Clean & Safe Protocol initiative, in which more than 60,000 hotels participate, properties will self-report their KPIs and progress from the previous calendar year, and HRS will assess those inputs, then benchmark by destination using a quartile analysis, assigning each hotel a grade of A, B, C or D.



There are two levels of status: Green Stay, and should a hotel already have a third-party program in place with strict criteria that measures its carbon footprint, and it is audited and the hotel can prove it to HRS, then HRS will upgrade the label to “certified status.”

Procurement leaders will be able to see all four grades as part of the sourcing process. Depending upon their organization’s policy, procurement leaders then can configure online booking channels to display only properties that have cleared a defined threshold from a sustainability standpoint. Hotels grading out with an A rating benefit from a green leaf icon that is displayed in both procurement and traveler shopping channels.

Biermann said HRS tried to make it as easy as possible for hotels to participate in the initiative and not overwhelm them. There are nine mandatory inputs a property must provide, but it can offer as many as 36, depending on the hotel’s services, he said. For example, if a hotel outsources its laundry, it will be asked for the emissions from the outsourcing partner.

It’s based in many ways on existing carbon and water measurements, and hotels already reporting on these can copy and paste the information into the HRS system, Biermann added. “For additional information, they have to provide a few facts here and there. It allows for a swift launch in the following months.”

## How to Use It

According to German travel managers’ association VDR, air travel accounts for 40 percent of the emissions generated by an average business trip, with 21 percent generated by the lodging category, Biermann said. “There isn’t much you can do about the air segment,” he added. “You can’t make the planes go faster or fly a different route. But on the hotel side, you can make smarter choices. There are extremely eco-friendly hotels.”

On its sourcing page, HRS now places its Clean & Safe label and the Green Stay label and score first before a property’s other factors, such as category, rating or pricing. Travel buyers also can click on a hotel’s Green Stay rating and see individual scores for its energy, water and waste factors during the sourcing process.

“We’re seeing more and more corporates move pricing to the third step in the ladder as cleanliness and safety are primary expectations, and now sustainability is something they want to be able to manage as a new standard, not just the price point,” Biermann said.

Users can filter for a hotel’s sustainability status on the HRS platform and on booking tools HRS connects with, and will see the text “Green Stay” or “Green Stay Certified.” Customers also will be able to generate reports based on green stays and measure year-over-year changes in carbon-reduction efforts, Biermann said.

“The Green Stay Initiative enables companies to dramatically enhance awareness of new sustainability priorities for their travel programs while also facilitating an avenue for hoteliers to promote their corresponding investments,” said HRS CEO Tobias Räge in a statement.

HRS piloted the Green Stay Initiative in February with input from clients from the consulting, energy, manufacturing and online retail vertical markets, Biermann said, and will continue to take their feedback into account as it develops and refines the program. The goal is to get at least 60,000 hotels to participate. “That is the figure most of the corporates need to have to be able to build hotel programs entirely based on Clean & Safe and Green Stay [factors],” he said. ■





## IHG Unveils 10-Year Sustainability Plan

More than four in five adults—82 percent—from around the world, including 66 percent of Americans, are committed to taking their everyday sustainability habits with them when they travel, according to a survey released last month by IHG Hotels & Resorts. IHG also announced a 10-year sustainability plan for the company, dubbed Journey to Tomorrow.

The survey was conducted online from Jan. 20-28 and included 9,000 global responses: 2,000 from the U.S., 2,000 from the U.K., 2,000 from Greater China, 1,000 from Germany, 1,000 in the United Arab Emirates and 1,000 from Australia.

A majority of all respondents and almost two-thirds of U.S. respondents agreed that 2020 and Covid-19 has made them more socially and environmentally conscious about their effect on the world when traveling. Younger U.S. travelers were much more likely to share this sentiment: 78 percent of 18-to-24-year-olds agreed compared with 27 percent of those 55 and older.

Nearly 40 percent of U.S. respondents said they would be more mindful about their travel choices following the pandemic. Their No. 1 consideration (42 percent of respondents) was how ethical and responsible the hotel brand was in creating an inclusive work environment, supporting jobs, providing skills training and education, and protecting human rights, followed by avoiding tourist activities that could have a negative impact on the local environment and communities (38 percent). Further, 84 percent said it is important to get to know the local community when visiting somewhere new.

Many U.S. travelers are willing to pay more for more sustainable travel. The survey found that Americans would spend on average 41 percent more on an accommodation they know operates responsibly, with 47 percent happy to spend more

# 31%

**Travelers globally who would spend more per night for more sustainable accommodations, according to an IHG survey.**



than 40 percent extra per night. Globally, 31 percent said they would spend more per night for more sustainable accommodations.

IHG’s new sustainability plan will “challenge us to deliver on new ambitions, including how we continue to promote wellbeing in the workplace, champion an inclusive culture and advance human rights,” said IHG president and CEO Keith Barr in a letter on the IHG website. “In our communities, we will seize opportunities to improve millions of lives, whether through supporting disaster relief efforts, tackling food poverty, or by providing skills training that drives social and economic change. We will work with every one of our hotels to reduce carbon emissions in line with climate science, eliminate single-use items or move to reusable/recyclable alternatives, reduce food waste and collaborate locally to reduce water stress in high-risk areas.”

The plan was formed through an assessment process with external experts, stakeholder consultation and industry collaboration, and contributes to the universal framework of the United Nations Sustainable Development Goals, which aims to provide a blueprint for a better, more sustainable future by 2030, according to the company.

IHG’s plan covers five areas. For company employees, goals include achieving a gender balance and a doubling of underrepresented groups across IHG leadership, and driving respect for and advancing human rights. In communities where it operates, IHG will promote skills training to push economic and social change, provide support when natural disaster strikes and collaborate to aid those facing food poverty. For carbon and energy, it has implemented a 2030 target that delivers a 15 percent absolute reduction in its direct operations, and a 46 percent per square meter reduction in franchise operations. It also is targeting 100 percent of new-build hotels to operate with very low or zero carbon emissions. Concerning waste, IHG will eliminate single-use items or move to reusable or recyclable alternatives and minimize food waste through a “prevent, donate, divert” plan. It also will reduce its water footprint at hotels, mitigate water risk, and collaborate to ensure adequate water, sanitation and hygiene conditions for its operating communities. ■

## ESA to Launch New Extended-Stay Brand, Rebrand Remaining Portfolio

Extended Stay America this year will introduce a new brand aimed at the higher end of the midscale market called Extended Stay America Premier Suites, and will rebrand the rest of its portfolio to Extended Stay America Suites, the company announced last month.

ESA Premier Suites, which will launch in the second quarter with 32 properties across the United States, will comprise new construction as well as renovated properties with upgraded amenities “to target higher-

rated extended-stay guest segments.” Average daily rates will fall in the range of \$80 to \$100 per night. New features include an enhanced breakfast offering, larger TVs, increased storage space and a signature bedding package, according to the company.

“We did a lot of research in putting this together,” said ESA president and CEO Bruce Haase on a company earnings call. “We knew the brand was strong, but what surprised us a little bit was how strong this brand is at

higher price points, across the entire segment. We have a lot of equity in terms of not only awareness but also in terms of trial, use and consideration. We saw an opportunity to marry that strong brand with some wide space we see in the industry between where we sit today and where Candlewood is, which is a pretty wide gap, and marry that with the footprint that we have in high [revenue per available room] markets with good corporate demand. We very carefully talked to B2B buyers, corporate accounts, and literally thousands of consumers and asked what they really wanted.”

Haase added that the company is looking at markets for the new premier brand where there is a “cross-section of higher-rated corporate demand and high RevPAR markets and a product that we have that we believe will set the brand. We’re being disciplined about it,” he said. ■





# Lufthansa, Qantas Prepare International Services

BY MARK FRARY

Lufthansa Group this month said it would launch a new business class product in 2022 that will feature “optimal sleeping comfort and more private space, along with more individual seating options.”

This is despite a belief that business travel and long-haul routes are expected to recover more slowly than leisure traffic and that people have become more accustomed to meeting via the likes of videoconferencing.

“The assumption is that the growing acceptance of digital communications tools will be partly to the detriment of physical travel,” the group said in its annual report.

The report revealed that the airline group, which includes Lufthansa, Swiss and Austrian Airlines, made an operating loss for 2020 of €5.5 billion, the worst figure in its history. Revenue at the group fell to €13.6 billion in 2020 from €36.4 billion in 2019.

The group said that despite the record losses, it had benefited from a hub system. It said, “Unlike competitors, who offer only point-to-point connections, the Lufthansa Group airlines were able to bundle the low traffic volumes at their hubs and thus maintain important connections.”

Carsten Spohr, the group’s CEO, said: “The past year was the most challenging in the history of our company—for our customers, our employees and our shareholders. Travel restrictions and quarantine have led to a unique slump in demand for air travel. Now internationally recognized, digital vaccination and test certificates must replace travel bans and quarantine.”

Spohr said it was focusing on sustainability and is considering whether all aircraft older than 25 years will remain on the ground permanently.

**“Travel restrictions and quarantine have led to a unique slump in demand for air travel. Now internationally recognized, digital vaccination and test certificates must replace travel bans and quarantine.”**

—LUFTHANSA’S  
CARSTEN SPOHR

## Qantas Sets October International Restart

Meanwhile, Qantas and its low-cost sister airline Jetstar will restart regular international passenger flights to most destinations from Oct. 31, the carriers announced. The airlines previously had anticipated flying internationally this July, but that has been pushed back to allow Australia’s Covid-19 vaccine rollout to be effectively complete.

Qantas said it will resume flights to 22 of its 25 pre-Covid international destinations, including London, Los Angeles, Singapore and Johannesburg, from that date. It initially will not resume direct flights to New York, Santiago and Osaka, but “remains committed to flying to these three destinations.” Passengers will be able to fly to these destinations under codeshare or Oneworld arrangements with partner airlines.

The airline is trialing digital health pass apps, including CommonPass and IATA Travel Pass, to help support the resumption of Covid-safe international travel. Qantas said capacity would be lower than pre-Covid levels, with frequencies and aircraft type deployed on each route in line with the projected recovery of international flying, and did not expect international capacity to fully recover until 2024.

Jetstar will resume flights to all of its 13 international destinations on Oct. 31. ■

# Etihad Says Turnaround Still On Track Despite Covid-19 Setback

BY MICHAEL B. BAKER

Etihad Airways reported passenger revenues in 2020 declined 74 percent year over year to \$1.2 billion, though the carrier still is planning for a “complete turnaround” by 2023.

The revenue drop stemmed from a 76 percent drop in passengers for the year, down from 17.5 million in 2019 to 4.2 million last year, and a 64 percent decrease year over year in capacity. Passenger services were shut down completely in and out of the United Arab Emirates from the end of March to early June, and more than 80 percent of the carrier’s passengers for the year flew the airline in the first quarter.

Cargo operations offset a bit of the revenue drop, as cargo revenue increased 66 percent year over year to \$1.2 billion. For the full year, Etihad reported an operating loss of \$1.7 billion, compared with a

loss of \$800 million in 2019.

Even prior to the pandemic, Etihad had reported several years of losses but had been restructuring to turn its business around. That has accelerated amid the Covid-19 crisis, according to the carrier.

“While nobody could have predicted how 2020 would unfold, our focus on optimizing core business fundamentals over the past three years put Etihad in good stead to respond decisively to the global crisis,” Etihad CEO Tony Douglas said in a statement.

Near the end of 2020, Abu Dhabi reopened to tourists from select countries, and the carrier soon will be starting its first service to Tel Aviv as the two countries agreed to open up air service last year as part of the Abraham Accords. In a recent piece for the New York Times, columnist Thomas Friedman

noted that more than 130,000 Israelis had visited the UAE since the accords.

## EMIRATES OFFERS EMPTY SEATS FOR A FEE

Meanwhile, Emirates is selling empty adjoining seats to Economy Class passengers at check-in, enabling them to sit in an empty row at an extra cost.

The carrier is allowing passengers to buy up to three empty adjacent seats at check-in, with a price ranging from 200 to 600 United Arab Emirates dirham—about \$55 to \$165—depending on the flight. Passengers only can buy the seats at check-in counters, as they depend on availability on the day of the flight.

In addition, Emirates is giving discounts for excess and overweight baggage for travelers who pay for it in advance. The discounts range from 35 percent to 60 percent and must be booked and paid through a direct channel—the Emirates website, call centers or sales offices—at least four hours prior to departure. ■



## Electric Aircraft Firm Backed by JetBlue and Uber to Go Public



Joby Aviation's electric aircraft

Joby Aviation, a transportation company developing an all-electric vertical takeoff and landing aircraft, is going public as part of a merger with special purpose acquisition company Reinvent Technology Companies.

Joby, which will be listed on the New York Stock Exchange after the merger, expects to have passenger aircraft operating for commercial use by 2024. It is developing a four-passenger piloted aircraft that can fly 150 miles on a single charge at speeds of up to 200 miles per hour. The aircraft have no carbon emissions and are 100 times quieter than small planes or existing rotorcraft, according to JetBlue, which has been an investor in Joby since 2017 via its JetBlue Technology Ventures subsidiary.

"The regional transportation ecosystem is ripe for disruption, and startups like Joby Aviation will revolutionize how people move across urban areas," JetBlue Technology Ventures found-

**"The regional transportation ecosystem is ripe for disruption, and startups like Joby Aviation will revolutionize how people move across urban areas."**

—JETBLUE TECHNOLOGY VENTURES' BONNY SIMI

er Bonny Simi said in a statement. "Nearly four years ago, we saw that Joby already was the emerging leader in the [electric vertical takeoff and landing] space, and today's developments validate our early investment."

Uber also has been a major backer of Joby, and in December announced that it was investing \$75 million in the company—on top of an earlier investment of \$50 million in early 2020—as part of a transaction in which Joby acquired Uber's flying taxi unit, Uber Elevate. Per their agreement, Joby and Uber will integrate their services into each other's apps.

### United Partners with Archer

Meanwhile, United Airlines is partnering with air mobility company Archer to develop and eventually use aircraft with electric motors that would serve as "air taxis" in urban markets.

Per the agreement, United is providing "expertise in airspace management" as the Palo Alto, Calif.-based Archer develops battery-powered, short-haul aircraft with vertical takeoff and landing capabilities. Once the aircraft are operational and meet United's standards, the carrier and Mesa Airlines, a regional carrier among those operating United Express flights, will acquire up to 200 of those aircraft.

Current technology would enable Archer's aircraft to travel distances of up to 60 miles at speeds of up to 150 miles per hour, and the company is working to increase both speed and distance capabilities, according to United. They could provide faster commutes with a smaller carbon footprint to and from airports in large cities. For example, the aircraft would cut carbon emissions by 47 percent per passenger on a trip between Hollywood and Los Angeles International Airport, one of Archer's first target markets, compared with driving, according to United.

United expects it could be using the aircraft within five years. Archer plans to unveil its first full-scale aircraft of the type this year and begin production in 2023, with consumer flights beginning the next year. ■

## SITA Reports February Data Breach

Airline technology provider SITA this week acknowledged that it was hit last month by a "highly sophisticated" cyberattack targeting passenger data in its Passenger Service System servers, which serves multiple airlines.

SITA in a statement did not detail what sort of data was targeted or stolen during the attack, which hit its U.S. servers on Feb. 24, but said it "initiated targeted containment measures" and "took immediate action to contact affected SITA PSS customers and all related organizations."

The incident remains under investigation, according to SITA.

While SITA has not disclosed which airlines' data were affected, some carriers have issued their own statements about the breach. Singapore Airlines, for one, said the breach affected around 580,000 members of its KrisFlyer and PPS programs. Although Singapore is not a SITA PSS customer, it—along with all other Star Alliance airlines—provide data from its frequent-flyer program to the alliance, which other member airlines using the system then store.

United Airlines sent a note to customers encouraging them to change MileagePlus passwords "out of an abundance of caution," though the carrier said no passwords, personal information or other sensitive data was accessed beyond names, MileagePlus numbers and Star Alliance status.

American Airlines in a statement said the breach also involved "a limited amount of AAdvantage loyalty data," and like the other carriers, said it did not include passwords or financial information. The carrier has notified members who were affected by email, according to the statement.

A Delta Air Lines spokesperson said there has been no indication of exposure to the carrier.

Both Malaysia Airlines and Finnair also have notified customers about the breach and encouraged them to change their loyalty program passwords as a precaution, though both also said they had no evidence that passwords were disclosed in the breach. ■

# Carriers Hail U.S. Rescue Deal

United Airlines and American Airlines were poised to release workers after that date. Both now have pulled back from those intentions.

A March 10 memo to employees, by American Airlines CEO Doug Parker and president Robert Isom, noted that 13,000 workers had received warnings last month about upcoming layoffs. Those warnings, the executives wrote, were “happily cancelled—you can tear them up!”

In the meantime, United Airlines, which had warned in January of layoffs for 14,000 workers starting April 1, also issued a 180-degree pivot on the issue. CEO Scott Kirby posted on LinkedIn that the airline is working to emerge from the downturn with new innovations and a reputation for doing the right thing. “By extending [the payroll support program], our teams will be able to remain current in their training and ready to match expected future demand.”

Principal at International Aviation Law Kenneth Quinn lauded the package and noted other governments had failed to take robust action. “It is a remarkable show of support for the US airline industry, and its importance to global travel and tourism—over 5% GDP,” he wrote on LinkedIn in response to Kirby’s post. “Other governments, particularly in the EU and Latin America, would be wise to follow suit.”

## Job Security Whiplash

While the U.S. government clearly has been supportive, airline workers have been caught in the crosshairs of legislative negotiations and airline survival strategies since last March. Layoff stipulations in the CARES Act payroll support program ended on Sept. 30, 2020. After that date, American Airlines issued notices to 19,000 employees, according to a company memo signed by Parker. United Airlines laid off 13,000 at that time. Both companies pointed to a gridlocked Congress that failed to pass additional aid for the industry, and both companies vowed they would not stop fighting for more.

Throughout 2020 and 2021, airlines signaled their respective crises to legislators by issuing warnings about upcoming layoffs, ostensibly daring legislators not to pass additional aid packages. Congress took the dare. Airlines spent the fourth quarter with no additional funds. Even Southwest Airlines, which had never implemented broad-based companywide layoffs in its 50-year history, began to issue warnings of laying off 7,500 workers by spring. Delta Air Lines implemented a voluntary layoff and early retirement offer, which sliced 32 percent of its payroll by October, according to a report from Yahoo Finance.

After an eleventh-hour \$900 billion relief bill passed in December, with \$15 billion marked for airlines, carriers turned an about-face. American and United began the process of recalling thousands of workers, while Southwest canceled its reduction plans. Yet, both American and United issued layoff warnings again in February and January, respectively.

Will this latest round of snapping workers back from the cliff of unemployment somehow be different?

As with the first round of aid, the six-month term gives workers more breathing room before the threat of layoffs begins again in earnest. This time, however, the U.S. and the world are at a critical juncture in the pandemic recovery, with vaccination efforts out in force.

## The Narrow Path

Speaking after signing the American Rescue Plan, Biden urged all eligible adults to be vaccinated, but also warned that lifting social-distancing restrictions too soon would undermine efforts to lower transmission rates. He projected July 4 as a date when ‘small groups’ might gather safely and unencumbered. He specifically called out travel as an activity that will get revised guidance. “As more people are vaccinated, the [Centers for Disease Control and Protection] will continue to provide additional guidance on what you can do in the workplace, places of worship, with

**“It is a remarkable show of support for the U.S. airline industry and its importance to global travel and tourism—over 5% GDP. Other governments, particularly in the EU and Latin America, would be wise to follow suit.”**

—INTERNATIONAL AVIATION  
LAW’S KENNETH QUINN

your friends as well as travel.”

In the meantime, robust Covid-19 testing requirements prior to flying have tightened up the airline passenger risk scenario, which several studies have suggested already was at a minimal level. These protocols, combined with higher vaccination rates and the potential adoption of ‘health passports,’ are the tools the industry will use to build customer confidence that will translate into demand.

Kirby, for one, is confident that demand is coming, including business travel demand, which he told CAPA Live attendees this month “was about relationships” that couldn’t be reduced to virtual meetings.

According to a February Global Business Travel Association poll, 55 percent of travel managers said their organizations’ business travelers are at least somewhat willing to travel now. Airlines Reporting Corp., which tracks travel agency sales, has shown some progress as well. Overall air ticket sales (not limited to corporate-focused agencies) have increased for the past seven weeks consecutively in comparisons to 2019. The week ending March 14 saw ticket sales down 56 percent compared to 2019. That compares to the week ending Jan. 3, when ticket sales were down 72 percent. That’s a 16 percent-age-point jump in the comparisons.

A report by Forbes, citing Bank of America tracking of airlines’ ticket spend, attributed the jump to vaccinated seniors who are ready to get back to the travel and human connections that makes them happy. As confidence in immunity grows, airline employees may be first in line for some happiness—the kind that comes with job security that isn’t reliant on constant lobbying, legislative negotiations and warnings that every two months they may lose what they’ve worked so hard to maintain.

Airlines for America president Nicholas Calio acknowledged this dedication in a March 10 press statement that thanked the U.S. Congress for passing the measure.

“U.S. airline employees have worked tirelessly to provide essential services throughout the Covid-19 crisis. ... These men and women are the backbone of our industry, and they are an integral part of our nation’s infrastructure,” he said. “It is vital to have our employees on the job and ready to assist as our nation prepares to move forward from this crisis.”

All eyes in the airline industry are now on Sept. 30 to push all these efforts toward sustainable recovery. ■





# BA Puts A Toll On NDC Through Amadeus

Like Air France-KLM and Lufthansa Group before it, International Airlines Group has reached a distribution arrangement with a major global distribution system operator that sets the course for access to its New Distribution Capability pipes.

The trio of the largest European airline groups, which for years have levied surcharges on traditional GDS bookings, have another thing in common in their breakthrough NDC arrangements: Each includes a toll on NDC bookings transacted through GDS operators, which varies by amount but is lower than EDIFACT surcharges.

Amadeus and IAG last month announced a new distribution pact, which encompasses the airline group's passenger carriers, including British Airways and Iberia.

British Airways head of distribution and payments Rogier Van Enk in an interview said he expects NDC to go live in Amadeus by the end of the year, "cautiously optimistic" it'll be months before then.

For agency subscribers looking to use Amadeus as their access point to BA's NDC pipes: "We'll be sharing our onboarding plan shortly," he said.

BA's "new model will be different, with a much, much smaller fee," he said. "We want that model to be crystal clear to agencies, so they knew what they're getting into. That's why we've detailed that in the agency communication."

According to that agency communication, BA transactions through the Amadeus NDC connection will incur a £1.60/\$2.20/€1.80 fee per passenger segment journey "to recover costs."

"Per passenger segment journey" generally amounts to "per flight," said Van Enk, so a roundtrip booked with two segments would incur the fee twice. BA noted that the fee value "may change depending on currency fluctuations and will be reviewed later in the year."

For NDC access, BA noted that "alternative options with no surcharge remain available," as it supports agencies that build their own direct connects or use non-GDS aggregators like Travelfusion. The latter category of non-GDS aggregators typically do not charge carriers for distribution, but regularly impose their own booking fee on the buy-side.

"We have alternative aggregators, whose small fee is zero because there is no cost associated with that," said Van Enk. "Whereas in the Amadeus model, there will be a small cost that we want to recover. Hopefully this will serve as a catalyst for some of the other GDSs or some of the other aggregators, and we'll need to see what the costs associated with those deals and integrations are. And the costs recovered might be slightly different."

Regarding Sabre and Travelport, Van Enk said "constructive conversations" are ongoing, "but no breakthrough yet."

## The Surcharge Situation

As airlines bring NDC to GDSs and as debate remains on which party should fund the costs of airline distribution in the agency sphere, European airlines

**As airlines bring NDC to GDSs and as debate remains on which party should fund the costs of airline distribution in the agency sphere, European airlines are in a camp that suggests: not us.**

are in a camp that suggests: not us.

Lufthansa Group supports two new NDC-based commercial models through its agreement announced late last year with Sabre. Its "public NDC model" includes a surcharge that will be "substantially lower" than its current GDS booking fee, an official noted then.

When Air France-KLM reached its NDC deal last year with Amadeus, it too put forth a surcharge for NDC bookings, which the GDS operator said amounts to "a few euros" per booking, which "could differ according to the agreements, point of sale and number of segments."

Including a carrier-imposed surcharge through Amadeus is "the logical consequence of the business model of Amadeus," Air France-KLM vice president of distribution Emmanuelle Gaillard said last year. "Amadeus wants to be paid by the airlines to distribute content, be it NDC or [classic GDS]. The business model is far different for other NDC aggregators we work with, and, as airlines, we don't pay for it. The surcharge we'll have with Amadeus is just a consequence of a business model Amadeus wants to have and to keep."

For the three large European airline groups, these carrier-imposed fees on NDC transactions via GDSs are lower than surcharges on EDIFACT GDS bookings. BA, for example, charges £11 (or the local currency equivalent) per passenger segment journey through its "Distribution Technology Charge" for EDIFACT GDS bookings.

Van Enk sees NDC and EDIFACT connections co-existing for a bit.

"It will take a bit of time" to phase out EDIFACT connections, said Van Enk. "But for the majority of sales, we want to move to NDC very quickly. I think there's an incentive for agents to move to NDC—you get rid of DTC, there are additional price points, more ancillary sales."

Whether through Amadeus or non-GDS aggregators tapping NDC pipes, Van Enk said: "The content will be the same basically across aggregators. The agency can choose which aggregator fits their technology stack, or their business model or the richness of functionality. The differentiation will be more around the small fee which we recover."

Still, Van Enk said content commitments from the carrier to agencies hooking up to NDC "will be with the travel agency," and BA will "discuss with the travel agency what content we mutually think is important for the customer." This already happens today, he said, as different agencies have various net fare and private fare arrangements with the carrier.

Through Amadeus, NDC access "will be there. It will be for sale. The content discussion is something we decided not to have with Amadeus. We're going to have it with agencies instead."

Asked about commercial models and incentive considerations for its agency subscribers looking to access IAG's NDC-piped content, Amadeus stated: "IAG NDC-enabled content will be made available as part of our core content to agencies. That being said, each commercial agreement is unique and confidential, including any contractual considerations related to such content. We recognize that this new type of content means potential change for agencies, so we have an onboarding process to make any transition smooth and straightforward." ■

# AA: More to Come After ‘Starter Flavor’ NDC Offers

BY JAY BOEHMER

American Airlines last month introduced a couple of New Distribution Capability-piped offers, including an economy bundle and a “Corporate Experience” package for small and midsize companies that participate in its business loyalty program.

These are available to all channels that tap the carrier’s NDC application programming interface. They also will become available worldwide “in the coming months” through Amadeus’ content engine, which powers the global distribution system operator’s agent desktop, seller-facing API connections and corporate booking tool.

In conjunction, American and Amadeus last month announced an expanded distribution pact that “brings NDC more to the forefront,” said American Airlines managing director of digital and distribution Neil Geurin.

Last month, Geurin confirmed American reached its year-end 2020 NDC Leaderboard goal. He noted then that volume commitments have their place in NDC’s evolution, but that so-called “NDC” bookings to date hadn’t included many “new bells or whistles.”

Effective Feb. 23, American’s initial wave of NDC-hooked “bells and whistles” are market-ready. They’re available to agencies that operate direct connections with the carrier or tap a bevy of certified aggregators. GDSs are working on it, too.

“This NDC-based offer is available to any GDS that wants to consume it and display it,” said Geurin. “Amadeus has done the work to be able to do that. They’ll be first, but that’s because of their technological development.”

He said he hopes American will enable much the same “soon” through Sabre and Travelport.

American’s two new NDC-piped offers include a Main Plus package, “which includes access to preferred seats in the Economy cabin including Main Cabin Extra seats, an additional free checked bag, and Group 5 boarding,” according to the carrier.

The other is a “Corporate Experience” offer, “which provides complimentary access to preferred seats” and priority boarding for Business Extra participants. Geurin said this gives a “taste” of perks American routinely extends to larger corporate accounts.

In addition, American now is offering a Basic Economy option for travel to Asia, Oceania, India and Israel. The fare, at a discount to standard economy, is nonchangeable but does include one free checked bag.

## ‘The First Step’

Geurin called American’s two new NDC offers “introductory” and “starter flavors.” More flavors are coming, he said.

“This is not the end-all, be-all of NDC,” he said. “This is the first step of something we’ve been building, and longing for, for quite a while.”

These initial NDC-based offers are “a good way to



**“This is not the end-all, be-all of NDC. This is the first step of something we’ve been building, and longing for, for quite a while.”**

—AA’S NEIL GEURIN

make sure the basics are flowing,” he said.

American has been fine-tuning the basics for a while. In a March 2020 NDC road map, American listed features available and forthcoming through API connections. Available then were basics that supported availability, shopping, booking, ticketing, private fares, seat maps, and post-booking services like cancellations, exchanges and same-day standby or change processing.

Still in the works at that point were ancillaries like inflight Wi-Fi, lounge access, prepaid bags and prepaid meals. Nearly a year later, these remain in progress, said Geurin, noting “different ancillaries will roll out over time” via NDC connections.

“A year ago is like three decades ago at this point,” Geurin said of the March 2020 NDC road map. “All of our grand visions of early 2020 have changed a bit.”

Ahead of last month’s release, some NDC enhancements were bumped for a later flight. Some were upgraded.

“One we’ve added is the ability to do carbon offsets via NDC,” noted Geurin, which is available and offered through a partnership with Cool Effect, a nonprofit that plays in the realm of flight-based carbon-emission offsets.

Following American’s GDS deal renewal with Sabre last year, Amadeus on Feb. 23 announced it has re-upped its distribution pact with American. The deal includes delivery to Amadeus subscribers of “NDC-enabled offers,” which will evolve and expand over time as American pushes more offers and services through such connections.

“It’s more than a simple renewal,” said Geurin of the Amadeus agreement. “It brings NDC more to the forefront of the deal than it’s been in the past. We spend a lot of time talking about, collectively: How do we make NDC capabilities more available to Amadeus customers in the deal? At some level, agencies that are using the EDIFACT view of the world won’t see any changes, and that’s great. But those that are engaging with NDC will see more and more change coming from this that is positive for them.”

American confirmed access to its NDC content via Amadeus won’t require “changes to our agreements with agencies.” Amadeus did not reply in time for publication to comment on whether access to American’s NDC content would require a change to commercial arrangements it has with agencies.

Long in design and still on American’s NDC horizon are customized corporate bundles, tailored to the client and its travelers.

That’s a later flavor and will follow “getting the GDSs coded” to NDC connections and also work with online booking tools on display presentation, Geurin said. American is working with the likes of Concur Travel to get this ready in the booking tool, he said.

Amadeus Cytric is on it, too. Mega travel management company CWT last month announced “the successful creation of its first-ever GDS sourced New Distribution Capability transaction in production via Amadeus Cytric Travel & Expense booking tool for American Airlines.”

Amadeus on Feb. 24 commented to The Beat: “Commercial agreements are unique and confidential, but we can share that American Airlines NDC-enabled content will be made available as part of our core content to agencies.” ■

**The Beat**

# Cvent Plans Changes to Transient RFP Tool

BY DONNA M. AIROLDI

Meetings and travel management software company Cvent is planning for and investing in major modifications to its Cvent Business Transient product, formerly known as Lanyon, that will change how users prepare for, send and negotiate requests for proposals, the company announced this month during its Cvent Travel Summit.

Other than one new feature planned to go live during the second quarter, Cvent currently intends to roll out the updates during the first quarter of 2022, after the 2022 hotel RFP season has finished. In the meantime, it will make the changes visible to users in a preview mode as the components are developed over the coming year, said Cvent senior director of product management Brian Sullivan.

“The preview will allow you to view data input into the current application, and you can play around with the data, but you can’t save anything” in the preview mode, Sullivan said. “All work must be done in the current system through the end of the year. This will give customers ample time to get into the system and see the changes before they are forced to use them.”

The new feature to be added this year will allow corporate users to ask for dynamic ceiling rates in the program set-up, Sullivan said, adding that this option previously was available only to consortia. “It allows for corporations to have the security of a fixed rate but also benefit from lower publicly available rates as a result of the depressed occupancy we’re facing today,” he said.

The first redesigned element, available in preview now, is a new property profile that segregates the display of static hotel content like features and amenities from rate information for easier negotiation, Sullivan said. “When you click on the property profile name in the solicitation, you’re taken to the current property profile, where you can launch the new profile and take a look around,” he added.

Hotel program set-up is the next feature Cvent will tackle, and that could be available to preview during the latter part of the second quarter. That process will include a multistep navigation process to view hotels for potential program inclusion, but “you won’t have to go through the process of selecting specific questions to be answered anymore as it relates to static content,” Sullivan said. “We’ll go get that content for you. You select the parameters for your program, input custom questions, and you’re good to go.”

Currently slated for preview around July is a solicitation function, which will have a new look and feel. Cvent also is testing a new concept it calls “instant offer,” which changes how suppliers can build rate plans in preparation for RFP responses. “We now have the abil-

**“You won’t have to go through the process of selecting specific questions to be answered anymore as it relates to static content. We’ll go get that content for you.”**

—CVENT’S BRIAN SULLIVAN

ity to allow [hoteliers] to accept rate proposals prior to soliciting clients, which can save valuable time in the RFP process,” Sullivan said.

That change is slated to be previewed by the fourth quarter, along with a new negotiating process. Static content and rate content will be displayed separately, and the process will “focus on what matters: prices, amenities, policies and tax inclusion,” Sullivan said. “Benchmarking data is currently available in an offline report and provides valuable competitive rate information and amenities-inclusion information, but now it will become more easily accessible at the point of decision.”

The negotiation section of Cvent’s RFP tool will continue to use the new “negotiation assistant” feature, released in December, which uses a patent-pending algorithm to produce suggested rates based on the offerings of the hotel. The algorithm incorporates machine learning to hone its recommendations over time, and it takes more than 20 factors into account, including competitive information, general market information, account history and size of the client’s program to determine what it would expect the rate to be in order to conclude the negotiations, according to the company. In Cvent’s beta test of the negotiation assistant, clients who used it found that the average number of negotiation rounds declined 41 percent, thereby concluding the negotiation process more quickly, Sullivan said.

Other changes made in 2020 to the tool include allowing hotels to share their safety and cleaning protocols during the RFP process. Cvent worked with buyers and suppliers to create 59 standardized Covid-19 health and safety questions, which have been answered by about 40,000 of the hotels in the tool, said Cvent VP of product management Jim Abramson. ■

# Hertz Eyes Summer Bankruptcy Exit

BY DAWIT HABTEMARIAM

Hertz Global Holdings reported \$1.2 billion in fourth-quarter revenue, down from \$2.3 billion in the fourth quarter of 2019, the company announced late last month. The car rental company reported a quarterly net loss of \$289 million and an adjusted EBITDA loss of \$140 million, but said it continued to see sequential monthly revenue improvement from April through December 2020.

Hertz achieved cost savings of approximately \$3 billion during the year and downsized the fleet to match expected demand entering into 2021, according to the company.

Hertz has a goal of exiting bankruptcy by “mid to late summer,” Hertz Global president and CEO Paul Stone in a statement. “We are making significant headway on our U.S. Chapter 11 process,” he said. “We are on track

to close on the sale of our Donlen vehicle leasing and fleet management business in March 2021 and are making progress on our plan of reorganization with the goal to emerge from Chapter 11 by mid to late summer.” Hertz filed for Chapter 11 bankruptcy in May 2020.

For full-year 2020, Hertz earned \$5.3 billion in revenue, down from \$9.8 billion in 2019. Net loss amounted to \$1.7 billion and Adjusted EBITDA loss was \$995 million. Liquidity at the end of 2020 amounted to \$1.1 billion. ■



# TAMS to Launch Startup Incubator Program

BY DONNA M. AIROLDI

The Travel and Meetings Society is preparing to launch a free global incubator program for early- to mid-stage travel startups to help entrepreneurs further their business models and ready them for investments, leaders of the organization's incubator team told BTN.

TAMS plans to open applications in May for the program's inaugural six-month cycle, "so we can kick off in July and complete a full cycle in 2021," said program co-founder and co-leader Hansini Sharma, corporate travel practice lead at Acquis Consulting Group. "We're looking to accept five or six companies [for the first round]. We want to keep it small and then scale up over time. We want to make sure companies are getting the attention they need and valuable use of time."

The selected participants will be paired up with subject matter experts—TAMS currently has about 2,700 volunteers, but non-members are welcome, too—who will serve as mentors. "The idea is that mentors will be available to the selected companies as often as needed," said the program's other co-founder and co-leader, Suzanne Boyan, meetings and travel manager at ZS Associates and BTN's 2019 Travel Manager of the Year. Boyan added that the access would likely be limited to the six-month duration of the program. "But we hope to get enough mentors so it won't be a big burden on any one person's time."

Though TAMS has positioned the incubator program for travel-related companies, Boyan was hesitant to limit it to that designation. "Certainly, the expertise [the TAMS] group has is travel, specifically corporate travel and meetings, but that doesn't mean we wouldn't be interested in something that might be able to bridge a gap that exists currently in the corporate travel and meetings ecosystem," she said.

"Some of the more successful companies in the last five to 10 years—a ride-sharing company, one of the largest online [travel management companies] to ever exist—were started by non-travel professionals," Sharma added. "They were business consultants or finance professionals. ... Our hope is that by leveraging our expertise as travel professionals, we might be able to help identify some of these ideas that aren't organically travel from the get-go, and that will allow us to pull them into the industry and give them the expertise that they may need by leveraging the network of subject-matter experts we have at our fingertips."

The end goal for the effort is to position participants to be able to raise money, whether through a friends-and-family round or a Series A round, Sharma said. "It's to position them to have the right documents in place, the messaging and the confidence in their idea to pitch and go forward

**"Competition is a good thing—anything that disrupts the industry and pushes the industry forward to be better. The only people who get grouchy about innovation are those unwilling to change."**

—TAMS' SUZANNE BOYAN

with their business plan."

TAMS also is preparing to launch a new advisory fellows program that aims to help aspiring investors learn basic investment strategies, and each six-month incubator cycle will culminate in an investor showcase event. The fellows program will be designed for aspiring board members and those interested in getting more involved in the advisory and investment side of startups.

"There's a separate application," Sharma said, adding that the interaction between the incubator participants and the advisory fellows could be mutually beneficial.

Sharma, Boyan and the other members of the incubator team will review each application for inclusion in the program. Team members include Lumo CEO and co-founder Bala Chandran, Traxo chief product officer Matt Griffin, associate dean of New York University's Jonathan M. Tisch Center of Hospitality Nicolas Graf, DigiTravel Consulting SVP of consulting Greeley Koch and Options Travel EVP Mark Walton.

Boyan credited Sharma with coming up with the incubator idea. "I felt there was a gap in the industry, that there wasn't a safe place for people to go and take their ideas and learn and grow from people more experienced than them," Sharma said. "Our hope is that people will feel free to come to us with ideas and thoughts and business plans to be challenged and pushed to create a better product and leverage resources around us."

"The more innovation in our space, the stronger and better our industry is going to be," Boyan added. "Competition is a good thing—anything that disrupts the industry and pushes the industry forward to be better. The only people who get grouchy about innovation are those unwilling to change." ■

## Frontier Airlines Files for IPO

BY MICHAEL B. BAKER

Low-cost carrier Frontier Airlines has filed for an initial public offering, saying it will be well-positioned to take advantage of an upcoming travel rebound.

In the filing with the U.S. Securities and Exchange Commission, Frontier reported a net loss in 2020 of \$225 million—compared with net income of \$251 million in 2019—and total operating revenues of \$1.25 billion, about half of the year prior's levels. Its cash burn last year was about \$2 million per day. However,

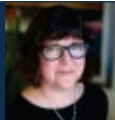
Frontier said current trends will favor its recovery.

"Throughout the pandemic, the U.S. airline industry has seen stronger domestic demand than international demand, and the segments of domestic travel that have recovered fastest have been [visiting friends or relatives] and [leisure travel] in contrast to business travel, both of which are trends that we believe position us to outperform the airline industry as a whole," the carrier said in its filing. "We also believe

new working patterns and the increasing growth of work from home will lead to increasing numbers of employees choosing to live remotely from their office location. We believe this trend will lead to an increased number of shorter leisure trips by Americans."

Frontier was acquired by an investment fund managed by Indigo Denver Management Co. in December 2013. It had filed for an IPO in 2017 but abandoned those plans last summer.

The filing listed an offering price of \$100 million, though that figure is subject to change. ■



## Groups360 Claims Direct Guest, Meeting Room Booking Ability

The ability to directly book both event space and guest rooms at the same time without the need for a request for proposal long has stymied planners and hotel companies. Some solutions offer one but not both, or can book pre-selected packages but not offer inventory views in real time.

Meeting and event sourcing platform Groups360 now claims it has solved this problem with a new solution dubbed GroupSync Engage, and IHG Hotels & Resorts is the first hotel company to deploy it, the companies told BTN.

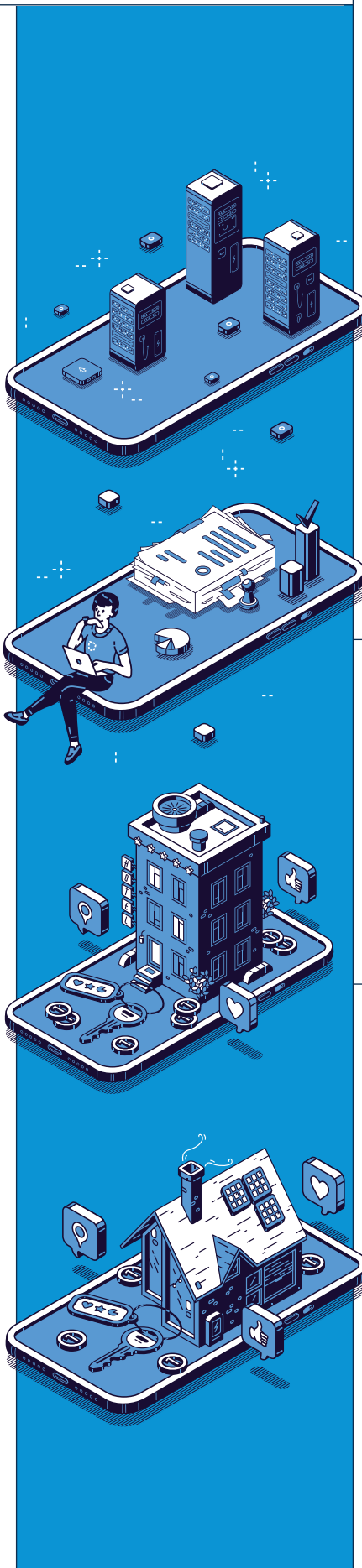
GroupSync Engage gives planners the option to directly book event space and guest rooms separately or together, and also provides customization for food and beverage, AV needs and meeting-room configuration, according to Groups360. There is no limit to the number of rooms that can be booked at one time.

“We built the technology not to limit the strategic selling ability of the hotel or brand,” said Groups360 president and CEO Kemp Gallineau. “They can open it up to as many rooms as they want. ... They can offer 1,500 rooms and 100 spaces if a hotel wants to try to do that. Or on any given day if they want only to [offer] 25 rooms and two meeting spaces, [the property] can do that. They can set it by day, week, month or quarter. It is up to the hotel.”

One challenge of developing a complete booking solution was that guest rooms and meeting space inventory often are housed in different systems, or group inventory might not be displayed online at all, Gallineau said. Each hotel company manages their inventories differently. “There is no standardization,” he added. The key to getting GroupSync Engage to work was developing technology that could “take multiple endpoints of inputs and aggregate them so the customer can navigate in a seamless process.” Data sources will vary by client. For IHG, the tool pulls group rooms inventory from a point in the company’s central reservation system.

IHG launched the pilot of its participation last month with three hotels—Hotel Indigo Los Angeles and New York’s InterContinental Barclay and InterContinental Times Square—and plans to roll it out in the coming weeks to 27 more U.S. hotels, then further expand it.

“A majority will be in limited-service hotels, with one to two meeting rooms, so it’s easier to ramp up [as] there’s not an existing sales and catering system,” said IHG SVP of global sales Derek DeCross. “We’re aiming for 500 hotels in the U.S. and Canada by the end of the year. Then we’ll work through the complexity and bigger box hotels and diverse offerings. By the end of 2022, we anticipate having the solution in place for 80



percent of our estate, roughly 4,800 hotels, then focus on the remaining 20 percent in 2023.”

IHG currently is offering no cancellation or attrition fees on room bookings through its Meet with Confidence offer for groups with 10 to 50 rooms booked by June 30, 2021 and that meet or stay by Dec. 31, 2021. Otherwise, planners who direct-book will need to accept IHG’s listed terms and conditions. Further, the company said a booking would not be denied due to catering yields or ratios, however, requests that fall out of certain parameters, including a particular hotel’s limit on group size, would be shifted to an RFP.

DeCross explained that many of the group bookings likely would qualify for the Meet with Confidence offer as events with 50 or fewer attendees comprise about 80 percent of current meetings business industrywide. The new solution also will result in time savings for planners of up to 80 percent, he said, adding that “in 15 to 20 minutes, you can book and get F&B and a confirmation and be done, versus an RFP, which can take hours if not longer. That’s a huge benefit for meeting planners.”

On the hotel side, the solution frees up staff—which in many cases is reduced due to the pandemic—to focus on those larger, more complex meetings and events, DeCross said. “It allows us to do a better job on the [other 20 percent],” he said. “Owners and teams can be excited about embracing it for opportunities to free up the sellers and [on-site] folks to spend more time with the guests on property.”

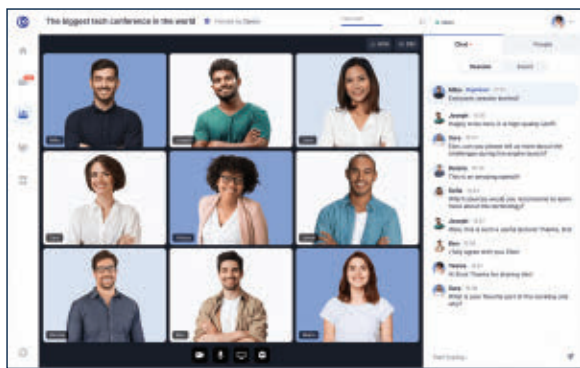
**IHG said a booking would not be denied due to catering yields or ratios, however, requests that fall out of certain parameters, including a particular hotel’s limit on group size, would be shifted to an RFP.**

Groups360, which in August 2019 received a \$50 million investment from Accor, Hilton Worldwide, IHG and Marriott International, is partnering with multiple hotel companies—both investors and non-investors—to offer this service, and during the next four months will disclose those partnerships, Gallineau said.

Booking joint guest and meeting room space at participating IHG properties at first only will be available through the GroupSync Engage platform, but IHG also is designing a platform for its website that incorporates a white-label version of the tool, DeCross said. That aspect is scheduled to go live in the second quarter. White-label solutions also are available to other suppliers, Gallineau said.

This is the second meetings enhancement IHG announced last month. In March, the company will expand its Meet with Confidence program, which will offer two hybrid solutions. ■

# Virtual Event Platform Hopin Raises \$400M



Fresh off a \$125 million Series B round raised in November 2020, London-based virtual events platform Hopin has raised an additional \$400 million in a Series C funding, the company announced.

Hopin will use the capital to accelerate growth, including scaling its operations, team and platform to meet the needs of its expanding customer base and support its multi-product offerings, the company said. This includes continued investment in its platform technologies, such as video and mobile.

“We are creating a portfolio of products to build the future of live video collaboration and remote community,” said Hopin founder and CEO Johnny Boufarhat. “As we’ve seen the importance of providing unparalleled virtual and hybrid event experiences has never been greater, and this latest funding is a reflection of how critical it is as

**“This latest funding is a reflection of how critical it is as brands look for ways to connect with people and avenues of growth. To enable this, we are investing in more video innovation, the core medium of digital collaboration.”**

—HOPIN’S JOHNNY BOUFARHAT

brands look for ways to connect with people and avenues of growth. To enable this, we are investing in more video innovation, the core medium of digital collaboration.”

Hopin, founded in 2019, has grown from six employees to more than 400 since the beginning of 2020, and more than 85,000 organizations have used the platform, according to the company. Since its Series B round, Hopin claims to have added 30,000 customers, including Poshmark, Hewlett-Packard and American Express.

Most of its client base is in Europe, but with the announcement in late February that Marriott included Hopin among the platforms with which the hotel company has partnered to offer new hybrid options for its meetings clients, Hopin’s reach will expand to the United States and Canada, according to the company.

In addition to the funding, the company announced that Sriram Krishnan, general partner at Andreessen Horowitz, will join Hopin’s board of directors. Further, it appointed three new members to its leadership team: Anthony Kennada as chief marketing officer, Sarah Manning as VP of people and Jonathan Killeen as head of remote.

The company acquired the event app Topi in December and live video-streaming studio startup StreamYard for \$250 million in January, adding 3.6 million video content creators to its base, according to the company.

Hopin has raised \$565 million to date, and this round values Hopin at \$5.65 billion, more than double its November \$2.1 billion valuation. This round was co-led by Andreessen Horowitz and General Catalyst, with participation from returning investors IVP, Coatue, Northzone, Tiger Global, DFJ Growth and Salesforce Ventures. ■

## Marriott, Accor Offer New Hybrid Meeting Solutions

Marriott International beginning this month is set to provide new options for hybrid meetings through its Connect with Confidence program, the company announced. Partner companies for hybrid offerings include Encore, Cvent, Convene, MeetingPlay and Hopin. The services at first will be available at hotels in the United States and Canada, with global availability “in the near future,” according to Marriott.

“As the industry navigates this evolving meetings environment together, Marriott is proud to offer meeting and event professionals new hybrid meeting and event solutions, as well as our own best practices and learnings from our hybrid events,” Marriott SVP of global sales Tammy Routh said in a statement.

Marriott has hosted hybrid meetings, including a January event at the Gaylord Rockies Resort and Convention Center

with 100 in-person and 800 virtual attendees. Survey results from that event indicated that 51 percent of meeting and event professional respondents plan to host a hybrid event during the next six to 12 months, according to Marriott.

Also in January, Marriott began to offer new optional health protocols as part of its Connect with Confidence program, which include Covid-19 testing.

**ACCOR PARTNERS WITH MICROSOFT** Meanwhile, Accor has partnered with Microsoft Teams to create and offer a new hybrid meetings service, the company announced. Dubbed All Connect, the service is set to launch in April 2021, and Accor has a goal of full availability by 2022 in all its 3,200 hotels with meeting rooms across all brands. More than 1,800 Accor hotels already can facilitate

hybrid meetings.

The new service will allow clients to combine physical in-hotel meetings with virtual interactions across multiple locations simultaneously. For hotels not already equipped for hybrid meetings, the new offering will allow attendees to connect and engage virtually on the Microsoft Teams platform.

To be compliant with the All Connect service, hotels will need to meet standards for minimum internet bandwidth, minimum meeting room hardware equipment and videoconferencing software, according to the company. This also requires integration of non-technical components, such as training of hotel staff and the company’s elevated hygiene program, rolled out last year.

All Connect primarily was designed for small meetings of eight to 50 in-person attendees, though options are available for larger meetings and events.

Research by Accor shows that 50 percent of physical meetings planned by the company’s meetings and events customers in 2021 will switch to virtual formats and that 70 percent of respondents see hybrid meetings as an important service in the future. Further, additional analysis indicates that virtual trends are likely to last beyond the pandemic even as corporate budgets return to pre-Covid levels. ■



# Stage Set for Health Passports

But there also are a number of key differences, with the various passports employing a range of design models and technological frameworks to accomplish the same overarching goal. In some cases, that variety reflects the unique capabilities of the particular providers building and supporting those solutions.

Given the high level of compliance risk associated with storing and handling personal data—especially in the European Union, which has particularly stringent rules encoded under its General Data Protection Regulation (GDPR) regime—maintaining the security and privacy of the sensitive medical information stored in digital passports is essential. Some passport providers have worked to ensure such safeguards are in place by storing data on decentralized and anonymized blockchain-based systems.

Among the passports taking this approach are IBM's Digital Health Pass, the Certus MyHealthPass from Swiss security provider SICPA and the AOKpass, developed by the International Chamber of Commerce and travel risk management specialist International SOS and now being piloted with several airlines, including Air France and Etihad.

"In the blockchain mechanism we've put in place, no data is exchanged. It doesn't leave the [individual user's] phone, and it's not stored anywhere else," said Sebastien Bedu, airport services product manager for MedAire, the ISOS aviation and maritime subsidiary working on AOKpass.

Instead, the data is maintained in a decentralized format throughout the entire process, from the medical lab to the passport holder's smartphone, where it's encoded into a QR code which can be scanned at airport check-in or at immigration control upon arrival to verify a



**The CommonPass passport is designed not only to facilitate entry into a particular country but also to gain access to a specific event or venue.**

vaccine or negative test. If the app is deleted from the phone, all the linked info is wiped out along with it, according to Bedu.

"Blockchain gave us the ability to operate in a space that's highly regulated," Bedu continued, citing the EU's strict regulations. "We integrated, from the start, all elements of the GDPR constraints ... and the blockchain was at the basis of that."

Meanwhile, other passports are incorporating biometric identification functionality to secure access to health data, and providing additional assurances that the bearer of the digital passport is the same person to whom it was issued.

The International Air Transport Association is taking that approach with its Travel Pass app, which in mid-March began its first full-deployment trial, with Singapore Airlines. The Travel Pass largely was built upon IATA's already in-progress One ID concept, in which passengers use biometric identifiers rather than paper documentation for travel.

"We were already working on the ability to create a biometric identity. ... We basically leveraged the work we were doing with One ID and layered the Covid requirements on top of it," said Anish Chand, assistant director for IATA's Timatic entry requirement registry service.

Users create a digital identity within the Travel Pass app by taking a photograph of themselves, which is verified against a traditional passport using facial recognition technology. After the digital ID is created, users are directed to labs or sites where they can be immunized or tested, with records subsequently sent back to Timatic. The rules engine then compares the data with the relevant requirements at a given destination and, if all requirements are met, approves the trip within the app by displaying a green check mark. At airport check-in or border control, the user presents the app, and the agent verifies that the picture in the app matches the person presenting the passport.

But while the Travel Pass exists as a stand-alone app at the moment, the ultimate plan is to embed its capabilities into partner airlines' own branded apps. There are multiple reasons behind that decision, according to Chand—not least of which is member airlines' desire to own the relationship with their customers.

"Our member airlines were very clear that they wanted the experience to be within their own app," said Chand. "And we thought it didn't make sense to have another app the traveler would need to download."

## Cooperation or Confusion

The question of where exactly passports "live"—as standalone apps, part of airline apps or other potential integrations, such as with online booking tools—is another key question that remains to be settled.

Adding additional complexity is the fact that some digital passports are designed not only to facilitate entry into a particular country but also to gain access to a specific event or venue, increasing the number of passports a traveler potentially would need to maintain.

One such passport is CommonPass, from Swiss nonprofit The Commons Project Foundation and the World Economic Forum. Along with being among the most widely adopted passport by airlines thus far—supported by JetBlue, Lufthansa, Swiss International Airlines, United Airlines and Virgin Atlantic—CommonPass also is aimed toward venue access, a use-case expected to become more prevalent as larger corpo-

rate events and meetings resume.

“We’re going to need to be showing some sort of test or vaccination demonstration to get into lots of places in the future, and you need to be able to do that in a way that’s trusted and private,” noted CommonPass president Simon Talling-Smith.

In early March, CommonPass significantly expanded its acceptance footprint by partnering with identity and access provider Clear, whose systems are used by nearly 50 facilities and organizations in the U.S. to verify Covid-related access protocols.

While user-facing mobile-based apps may dominate the early phase of the passport era, such behind-the-scenes integrations likely will have a greater impact in the future, predicted Talling-Smith.

“An app is only part of the story; more important is what’s hidden below that, and we expect CommonPass to be embedded in many, many third-party applications and processes,” Talling-Smith said, citing the U.S. Transportation Security Administration’s PreCheck program as an instructive model of how CommonPass eventually might operate seamlessly—and invisibly—across many locations in the future.

### What About Equity?

While the promises and potential benefits of digital health passports are clear, one inherent pitfall that can’t be solved by technology alone is the risk that basing entry and access requirements on the ability to prove vaccination or negative Covid status risks creating two “classes” of travelers—those who can do so

**“I do worry about the further implications of a passport ... that enables those that are vaccinated to do things that others cannot.”**

— HEALIX INTERNATIONAL’S  
DR. ADRIAN HYZLER

and those who can’t, some observers have warned.

“I do worry about the further implications of a passport ... that enables those that are vaccinated to do things that others cannot,” said Dr. Adrian Hyzler, chief medical officer at travel risk consultancy Healix International. “This form of immune privilege will disadvantage a number of people, many of whom are already victims of inequity and discrimination, not just as a result of Covid, but dating back well before the pandemic.”

That demographic includes those without easy access to accepted testing and vaccine networks, and/or the technology to carry a digital-based passport, the doctor said.

“Let’s not forget that 3.4 billion people worldwide do not have internet access and over 1 billion people do not have a cell phone of any kind,” Hyzler noted.

Adding another layer of complexity is that several Covid vaccines have been manufactured, and some have not been authorized for entry to particular jurisdictions for various reasons—which could lead to countries turning away travelers on the grounds they received a vaccine deemed inadequate.

Given the potential for such inequalities to arise, “my thought is that vaccination status should be one of the determinants of entry quarantine requirements, in combination with natural immunity and testing,” Hyzler advised, adding that such a multi-pronged approach to prevention is not only fairer, but also more effective.

“No preventive measure is fully protective,” Hyzler said, “but each tool of prevention is layered on top of the next, and together they form a stronger barrier.” ■

## BTNGROUP

Louis Magliaro, Executive Vice President & Group Publisher  
973.769.0028 • lmagliaro@thebtngroup.com

### EDITORIAL

**Elizabeth West**  
Editorial Director  
732.494.1955 • ewest@thebtngroup.com

**Jay Boehmer**  
Editor-in-Chief, The Beat  
646.380.6249 • jboehmer@thebtngroup.com

**Chris Davis**  
Managing Editor  
646.380.6248 • cdavis@thebtngroup.com

**Michael B. Baker**  
Executive Editor  
646.380.6250 • mbaker@thebtngroup.com

**Donna M. Airoidi**  
Senior Editor, Lodging & Meetings  
646.380.6264 • dairoidi@thebtngroup.com

**Adam Perrotta**  
Editor, Payment & Technology  
518.859.5117 • aperrotta@thebtngroup.com

**Dawit Habtemariam**  
Staff Writer & Assistant Editor  
646.380.6267 • dhabtemariam@thebtngroup.com

**James Jarnot**  
Art Director  
646.380.6252 • jjarnot@thebtngroup.com

### DIGITAL

**Alexandra Mancini**  
Digital Director  
201.902.1984 • amancini@thebtngroup.com

### SALES

**Lindsay Straub**  
Associate Publisher  
646.380.6274 • lstraub@thebtngroup.com

**Rich Markus**  
Business Development Director  
301.944.4324 • rmarkus@thebtngroup.com

**Claire LaVelle**  
Business Development Coordinator  
646.380.6271 • clavelle@thebtngroup.com

**Debbie Anderson**  
Hawaii  
808.739.2200 • debbieanderson@dmhawaii.com

**Michiko Kawano**  
Japan • +81-3-3661-6138 • kawano-pbi@gol.com

**Lavender Tan**  
Singapore  
(65) 9752 8613 • lavtan@singnet.com.sg

### PRODUCTION

**Michele Garth**  
Production Manager  
201.902.1930 • mgarth@ntmlc.com

**Lisa Gonzales**  
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Production Specialists  
201.902.2000  
lgonzales@ntmlc.com • ggraizzaro@ntmlc.com

### CONFERENCES & CONTENT SOLUTIONS

**David Meyer**  
Executive Director of Conference Content & Strategy  
646.380.6246 • dmeyer@thebtngroup.com

**Mary Ann McNulty**  
Executive Director of Content Solutions  
630.519.4510 • mmculty@thebtngroup.com

**Jen Bankard**  
Director of Content Solutions & Conferences  
717.460.1091 • jbankard@thebtngroup.com

**Mariza Moreira**  
Group Design Manager  
201.902.1965 • mmoreira@ntmlc.com

### MARKETING

**Max Bzdyk**  
Marketing Manager  
646.346.5676 • mbzdyk@thebtngroup.com

### LIST RENTAL & Reprints

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## Travel, Mtgs. Management Key to New Work Condition

BY BIZLY CHIEF MARKETING OFFICER KEVIN IWAMOTO

Over the past year, the average workday has gotten 48 minutes longer and we are in 13 percent more meetings, according to the National Bureau of Economic Research, while 71 percent of meetings are considered unproductive and inefficient. Meeting burnout and meeting fatigue are real and are among the primary culprits for what Gallup called a decline in employee engagement last year as well as employee well-being concerns.

What even constitutes a meeting, in the end?

According to the U.S. Travel Association, formal meetings, events and incentives drive approximately 38 percent of business travel. That means casual business meetings comprise most of the rest, but the fact that we're not traveling to those meetings now doesn't mean they aren't happening.

Larger meetings and events either have been postponed or shifted to virtual experiences organized by professionals. When travel comes back, meetings professionals will still own and execute those events, as long as they are driving value to the business.

Those more casual meetings that drive business relationships? Those are a different breed. On the whole, they've never been managed well, if at all managed. And, if conceivable, they are now managed even less optimally with responsibility even more decentralized. Thanks to the pandemic, you now have team leaders, managers, project leaders, third-party partner suppliers, even executives organizing their own daily hybrid, virtual meetings in completely new virtual environments. Yikes.

Have they done this before? Do they have a clue about how to organize and run an online meeting that is totally dependent upon technology? Do they understand the logistics of putting together an agenda or sending out invitations that will get the critical people to attend? Are they able to achieve the meeting objectives? Do they even know what the objectives for the meeting are?

The answer is 'no,' and most companies aren't offering training or support in how to optimize the meetings experience within the virtual platforms. And, like it or not, the pandemic has transformed daily meetings into the core of our workplace experience. Think about that—the meetings experience is now the workplace experience. What could that mean for the people tasked with managing travel and meetings? I think it could mean a lot, because meeting and travel managers already have the tools to correct it.



**Kevin Iwamoto is chief marketing officer for Bizly. He is a former travel manager at Hewlett-Packard, executive at StarCite, Active Network and Lanyon, and former president and CEO of the National Business Travel Association.**

**“Travel managers should seek to partner more closely with HR and other executives to source the systems that make every meeting better for employees, especially the virtual/hybrid meeting technology that now is part of every employee’s everyday work life.”**

### Meetings Experience Now Equals Workplace Experience

Post-pandemic, we are all looking at a world whereby the C-suite is simply not going to believe in the need for travel at the same level they did before. So, this isn't the time to think about RFPs and preferred rates. It's time to think strategically about providing better meetings and using business intelligence in a way that can improve, optimize and report on the employee experience and meetings efficacy.

It's also the time to think about new relationships with internal partners.

Workplace and employee engagement generally falls under the purview of human resources. The pre-pandemic working relationship between the corporate travel department and HR was mostly centered around employee duty of care, safety and security and diversity and inclusion issues related to business travel and meetings programs, policies and preferred suppliers. Travel managers now should pivot that relationship to lean in and grab ownership of the online meeting experience.

There are a few pioneering travel managers that are proactively stepping forward to help figure this out, and offering to own, manage and oversee this challenge which no doubt increases their internal value, profile, and job security. After all, travel managers have the experience and knowledge of how to manage challenges like this using best practices in policy creation, data collection, tech supplier sourcing, understanding internal business needs and purpose, supporting all of this in a virtual/hybrid world.

Travel managers should seek to partner more closely with HR and other executives to source the systems that make every meeting better for employees, especially the virtual/hybrid meeting technology that now is part of every employee's everyday work life. The biggest problem that travel managers have always faced with meetings management has been getting adoption and visibility beyond their small group of administrators. By partnering with HR, the territory and recommended solution becomes significantly larger, as it impacts every employee, not just executive admins and administrators. Travel managers have a once-in-a-lifetime opportunity to positively impact the entire company beyond just cost savings.

In summary, assisting employees with reducing bad meetings, optimizing meetings, improving employee virtual/hybrid meeting engagement and creating policies and an online meeting culture aligns to the most urgent priorities companies are facing in 2021 and beyond. Not only will this improve the employee experience and productivity, but it also will modernize your framework for business travel and daily meetings into the future. It is a unique opportunity for travel managers to grab a hold of and add to their existing scope of work to yet again demonstrate their value to the corporation. ■

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