

# BTN

BUSINESS TRAVEL NEWS

April 11, 2022



**REVIVE, RESTART, REVOLUTIONIZE**

Managing travel after its  
long journey through the Covid-19 pandemic

# SAVE THE DATE

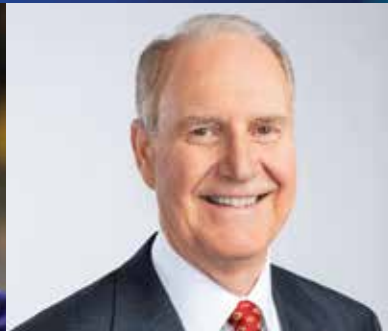
## 11<sup>TH</sup> ANNUAL BUSINESS TRAVEL

### HALL of FAME

DECEMBER 5, 2022

THE RAINBOW ROOM, ROCKEFELLER CENTER, NYC

Join 250 travel industry executives at the 11th Annual Business Travel Hall of Fame induction ceremony and dinner as the BTN Group recognizes four of the industry's most influential executives who helped shape today's business travel landscape and created legacies of achievement. Celebrate and pay tribute to those being inducted as they reflect on their accomplishments and look towards the future of business travel.



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former CEO and  
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BCD Travel

**Karen Hutchings**  
Travel, Meetings  
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Leader for Ernst &  
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**Gary Kelly**  
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The late **Kemmons  
Wilson** (d. 2003),  
founder of  
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#### EDITOR'S LETTER

## Momentum

We've waited a long time to write this BTN special issue. As an industry we've persevered through corporate travel's longest journey through the Covid-19 pandemic. And while we still must pay attention to caseloads and personal health risk, business travel has gained momentum; and perhaps even more importantly, organizations large and small have gained confidence that they can put their employees back out on the road, without compromising their commitment to safety and duty of care—and without continuing to compromise on business opportunities by meeting virtually.

That said, we have survived in our jobs and lives through some miracles of technology. And we shouldn't overlook their staying power in the future of business travel. But we all know that the second the opportunity opened, the rush to see family and friends and feed our souls with in-person interactions was unstoppable. Yes, that was a lot of personal travel, and it will continue. As companies open the gates on business travel, that pent-up demand, that love of in-person collaboration may result in a tidal wave of business travel demand out of the gate, before we settle into a more routine return-to-travel scenario.

Interviewees in this special issue aren't all telling BTN that their companies are running toward airplanes, car rentals and hotel rooms. But honestly, plenty of them did. Company names like Arthur J. Gallagher & Co. and T-Mobile on page 12 told BTN their businesses grew during the pandemic, and business travel has already returned to pre-pandemic levels.

Our health professional and Covid-19 trend watcher Dr. Adrian Hyzler tells us on page 6 a number of large Healix International clients are "hell for leather" in terms of eagerness to get to get back on the road, and they expect large volumes of travelers in the coming months.

Still, some companies are more cautious, and they may continue to be more conservative, maintaining pre-trip approval and elevated sign-off levels for the foreseeable future. But even at some of these companies, the work to get that approval is clearly reduced as executives take more confidence in understanding the value of business travel and having prepared their employees, potentially requiring vaccination to travel. And collaboration between travel, HR and senior management in many companies has established guidelines that deftly protect both the organization and individual travelers.

As travelers get back on the road, and as buyers connect more deeply with their supplier partners in the coming months, the terrain may feel different. In some ways it may be better. Travel buyers consistently tell BTN their supplier partnerships have never been stronger or more collaborative. The industry will need to continue in that collaborative spirit as we truly emerge from business travel hibernation. Challenges do lie ahead: reduced capacity for some airlines, different amenity and service availability at hotels, car rental shortages, just to name a few. The industry laid off huge numbers of employees during the depths of the pandemic, and others left in the meantime to pursue other opportunities. It's still a time to rebuild. But it's partnerships, patience and passion for this great industry that will fuel our current momentum and ultimately get us where we need to go.



Travel well,

Editorial Director, BTN Group

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## Confidence Grows as Global Travel Resumes

**GOVERNMENTS DISSOLVE ENTRY RESTRICTIONS WHILE INTERNATIONAL DEMAND INCREASES**

BY CHRIS DAVIS

A bit more than two years after Covid-19 first rolled around the world, closing borders, grounding flights and shutting offices, business travelers are taking their most confident steps since, past the pandemic and into a changed world. And most of the world is responding in kind, with border restrictions beginning to melt away, travel suppliers ramping up capacity and some of the vestiges of the pandemic starting to dissipate.

It's true that some prior hopes proved to be false starts, most notably the rosy late spring of 2021, as Covid-19 vaccines rolled out and case counts fell, but the lethal delta variant loomed. But some experts feel this stretch is different, after the wild early-winter spread of the milder omicron variant in the U.S. and Europe raised immunity levels and outcompeted delta.

Many companies and employees are proceeding as if the situation has changed in 2022. Dozens of Fortune 500 companies set return-to-office dates for March and April, even if it's less than a five-day per-week experience for most employees. Every U.S. state has dropped indoor mask mandates, and 62 percent of respondents to a March Monmouth University poll opposed reinstating them, up from 34 percent in September 2021. And about 82 percent of member travel managers and procurement professionals surveyed in February by the Global Business Travel Association indicated their travelers were "willing" or "very willing" to travel for business, up from 64 percent in January and the highest figure the association has recorded.

Travel suppliers are eager to meet the demand, with hoteliers and travel management companies determined to increase staffing and airlines increasing domestic and international capacity. International Air Transport Association director general Willie Walsh last month said in a statement that omicron wasn't a lingering drag on demand and carriers had "good reason to be optimistic" as border restrictions began to ease.

Most destinations have started to modify the requirements for international travelers to enter, but many remain.

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## States Sue U.S. Over Continued Mask Mandate

BY ELIZABETH WEST

Twenty-one states led by Florida have filed a lawsuit in a U.S. district court against several U.S. agencies to throw out the federal mask mandate that has been in effect in airports, on airplanes and on all public transportation since January 2021, when the Biden administration implemented the mandate as an official federal regulation.

The U.S. Centers for Disease Control and Prevention recently extended the mask mandate on airlines and public transportation, which was set to expire on March 18. The new expiration date is set for April 18, and the new lawsuit may pressure the

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### HEALTH CHECK



Healix International chief medical officer Dr. Adrian Hyzler talks:

- Progression of Covid-19
- Murky testing data
- Vaccination availability
- Robust business travel momentum

## 52 Weeks Of ARC Corp. Ticket Sales

This chart shows a full year of airfares sold by U.S. corporate travel agencies vs. the corresponding week in 2019, according to ARC. Aside from date-related noise around the holidays, the data shows the effect of the Covid-19 virus, its variants and the vaccine.

7-Day Period Ending	Vs. 2019	7-Day Period Ending	Vs. 2019
April 11, 2021	-79.4%	Oct. 10	-56.3%
April 18	-77.7%	Oct. 17	-54.3%
April 25	-76.4%	Oct. 24	-53.1%
May 2	-76.0%	Oct. 31	-50.3%
May 9	-75.2%	Nov. 7	-51.7%
May 16	-72.8%	Nov. 14	-52.1%
May 23	-71.6%	Nov. 21	-52.6%
May 30	-68.4%	Nov. 28	-58.2%
June 6	-67.4%	Dec. 5	-23.9%
June 13	-66.4%	Dec. 12	-54.3%
June 20	-64.6%	Dec. 19	-52.1%
June 27	-62.2%	Dec. 26, 2021	-62.0%
July 4	-58.2%	Jan. 2, 2022	-18.8%
July 11	-51.5%	Jan. 9	-49.5%
July 18	-59.3%	Jan. 16	-65.6%
July 25	-58.9%	Jan. 23	-63.0%
Aug. 1	-55.8%	Jan. 30	-55.2%
Aug. 8	-54.8%	Feb. 6	-52.5%
Aug. 15	-62.3%	Feb. 13	-51.0%
Aug. 22	-63.4%	Feb. 20	-46.5%
Aug. 29	-64.3%	Feb. 27	-42.9%
Sept. 5	-62.3%	March 6	-40.1%
Sept. 12	-62.9%	March 13	-39.2%
Sept. 19	-61.7%	March 20	-39.2%
Sept. 26	-60.6%	March 27	-36.4%
Oct. 3	-57.9%	April 3	-33.2%

Source: ARC

CONTINUED FROM PAGE 4

The United States requires all non-U.S. citizens to be fully vaccinated against Covid-19 before entering, and all arrivals—including vaccinated U.S. citizens—must have proof of a negative test one day before departure or proof of having recovered from Covid within 90 days. Groups including GBTA and travel management company CWT have called for the U.S. government to drop the testing requirement for vaccinated travelers, but as of press time it remains. Masks remain required on airplanes and other forms of public transportation at least through April 18 (see story, page 4) and some U.S. municipalities may require indoor masking. New York City last month dropped its vaccine requirement for restaurants, although some may choose to require it.

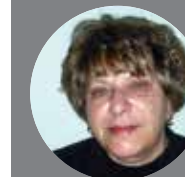
The United Kingdom last month dropped all Covid-related travel restrictions, and international travelers can enter the country regardless of vaccination status and without quarantine.

Restrictions vary among the countries that make up the European Union, but many have eased them in the past few months. France, for example, no longer requires a Covid test for vaccinated travelers to enter, and Germany last month dropped quarantine requirements regardless of country of origin. Some countries, including Denmark and the Netherlands, have dropped all Covid-19 regulations. IATA and other travel groups have called for the removal in Europe of restrictions. Travel in Eastern Europe is complicated by Russia's invasion of Ukraine.

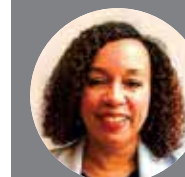
Australia in February dropped restrictions on fully vaccinated inbound international travelers, though some states retain quarantine requirements. Unvaccinated travelers require a valid travel exemption and must quarantine.

Japan last month began allowing entry to approved international business travelers (though not leisure travelers) who offer proof of a negative Covid test before departure and upon arrival. Vaccinated and boosted travelers can avoid quarantine, others must quarantine seven days, or three with an additional negative Covid test.

Omicron in early April was running rampant in China, which was locking down some metropolitan areas in an effort to contain the virus. The country largely remains closed to international business travelers, with negative-test and quarantine mandatory for the few who are approved. ■



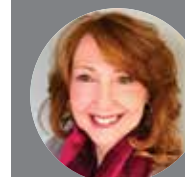
Arthur J. Gallagher & Co.'s Harriet Washburn, page 12



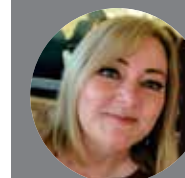
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Astellas' Sammit Khandeparkar, page 14



Akamai's Priscilla Campbell, page 16



Jabil's Sheila Kittle, page 16



# Checking in with Healix's Dr. Adrian Hyzler

Throughout the pandemic, BTN has spoken with a number of industry health experts to understand the cycles, developments, prevention and treatment of Covid-19. Healix International's Dr. Adrian Hyzler on several occasions has detailed how the pandemic has evolved and how it continues to affect business travel, and again last month spoke with BTN editorial director Elizabeth West about the path forward. Edited excerpts follow.



Healix International's chief medical officer Dr. Adrian Hyzler talks:

- Covid-19 progression
- Murky testing data
- Vaccine availability
- Robust business travel momentum

## WE ARE TWO YEARS INTO THE PANDEMIC. WHAT HAS SURPRISED YOU ABOUT ITS PROGRESSION AND WHAT HASN'T?

**Dr. Adrian Hyzler:** Such a big question. From the beginning, one thing that has certainly been proved very wrong was that coronaviruses rarely mutate. While that was always the case [before]... all the Covid-19 mutations have been one of the key factors of this virus that has changed the overall progress of it. If that had not been the case, I don't think we'd be in the situation we are at the moment—I think we'd have got past this much more quickly. So that's on the negative side. On the positive side, though, is how incredible science has been in developing such amazing vaccines. We've seen that the vaccines aren't 100 percent what they could be, and they don't prevent transmission in the way that was hoped. But the way they have pulled back the death rate has been remarkable.

## THE FIRST TIME WE SPOKE IN 2020, I ASKED, 'HOW LONG WILL THIS LAST?' YOU BASICALLY SAID, 'FOREVER.' YOU WERE RIGHT. WHERE ARE WE WITH THE IDEA OF COVID-19 BECOMING ENDEMIC, AND DOES THAT DIFFER AMONG GEOGRAPHIES?

I think that's really the crux, the different geographies. ... The only kind of definition that makes sense overall for 'endemic' is that it's regular and predictable. We see that with influenza—we know it surges in winter. Or malaria, which surges in rainy seasons. Or tuberculosis, which is sort of year-round. Those are all endemic diseases, and they still cause huge numbers of deaths. It's not that endemic means suddenly it becomes not a worry. But we

are seeing that shift in a number of countries—Nordic countries and even the U.K.—and this was very much hastened by the omicron variant.

## HOW HAS OMICRON AFFECTED THE PROGRESS TOWARD AN ENDEMIC SITUATION? OMICRON NOW IS TAKING A REAL TOLL IN A NUMBER OF ASIA-PACIFIC COUNTRIES.

It's true that not every variant took hold in all countries. Alpha was huge in Europe, but it didn't really hit the U.S. badly. Delta didn't really take hold in Latin America as badly, so that it kind of had geographical differences depending on seasons, depending on what kind of immunity was already in the populations. But omicron is different in that it seems to have taken off wherever it's gone. It certainly hit the United States but then you look at New Zealand or Australia, South Korea, even China. Omicron looks like it cannot be stopped. That's kind of a double-edged sword. Yes, it has caused a large number of deaths because of the huge number of cases. But it's certainly been milder overall in that you're still infecting and producing an immune response in a huge number of people. That benefits the background immunity of the populations on top of people who have been vaccinated or have not been vaccinated.

## GOVERNMENTS, PARTICULARLY IN EUROPE, HAVE BEGUN TO DROP PUBLIC RESTRICTIONS ON TRAVEL. IS IT THE RIGHT TIME FOR THAT?

These restrictions are going, despite high [infection] numbers. It's just been recognized that those numbers aren't relevant now. The data itself is being muddled by what testing is being done—so many people are taking tests at home now and they're not reporting. On the other hand, a lot of people are going into hospitals for one thing but are incidentally tested positive for omicron, so is that a Covid hospitalization? In the U.K. it is, but is it elsewhere? So it's very hard to analyze or compare the numbers now.

## ARE WE SEEING SUCCESS WITH THERAPIES, AND HOW CAN THAT DEVELOP?

The Pfizer antiviral has shown incredible efficacy at reducing hospitalization by 89 percent in the vulnerable people who are at risk—and that is really part of the jigsaw that we needed to come out of this in a way that doesn't leave vulnerable people behind. That was always the big issue—that once you take away restrictions, you're basically saying "good luck" to the vulnerable population. But now we

have other treatments, and we have monoclonal antibody treatments that are being redesigned [for the new variants], and more will come online. So we're starting to see that package we can use to test and treat. These advances keep happening, and the hope is that funding will keep these programs going the right direction. Of course, we'd like to see a multivalent vaccine that starts to address future variants.

## SINCE OUR FIRST CONVERSATIONS, WE HAVE TALKED ABOUT VACCINE AVAILABILITY AND DISTRIBUTION TO LOWER-INCOME NATIONS. IS THAT STILL A FACTOR THAT NEEDS TO BE ADDRESSED TO TAMP DOWN GLOBAL INFECTIONS AND POTENTIAL VARIANTS?

The availability is not a problem. In fact, India scaled down its production of the AstraZeneca vaccine because there wasn't demand for it. The bigger problem is going to be persuading people. If we look at some African countries that have got low vaccine uptake, for example, how do you persuade people to get vaccinated when it seems like Covid is passing? Other geographies have low vaccination rates as well; some for different reasons. We need vaccines with easier delivery methods to really reach these places. We've talked about the refrigeration and special storage for the first mRNA vaccines; however, we do have protein subunit vaccines now. I'd like to see something where you are not having to use needles—like a nasal delivery.

But also, we've been remiss by not establishing the right distribution channels while waiting for these vaccines. The other thing that I thought should have been done was for WHO to [control] a vaccine. That's sort of happening now with a protein subunit vaccine coming out of the University of Texas... It's a nonprofit vaccine that doesn't have a company name with it or the political connotations that come from Russia, China or the West. And it can be manufactured locally. That should be very useful.

## WE SHOULD TALK ABOUT HOW ALL THIS IS AFFECTING BUSINESS TRAVEL. WE TALKED ABOUT GOVERNMENTS LIFTING RESTRICTIONS. DO YOU SEE THAT CONTINUING?

I absolutely think that the business travel is going to escalate quite rapidly. There's going to be a real domino effect for other countries to do the same thing because they're not going to want to be at the back of the queue for the economic benefits of business travel. Vaccination will be the key to connecting people in large numbers.

**"They are not looking at restricting travel at all. They do want to know people's risk and vulnerability, but they are going absolutely hell for leather with travel at this point."**

People will need to be "up to date"—whatever that comes to mean. It's definitely a third vaccination dose, but possibly a fourth.

## ARE HEALIX CLIENTS ACCELERATING THEIR TRAVEL AND HOW ARE THEY MANAGING IT?

Take the simplest example, which would be someone who is who is up to date on vaccinations and not in a vulnerable category. I just see no reason to restrict travel. Obviously, there are countries in extreme circumstances. Like Hong Kong at the moment, and that's always going to be [something to look for].

## YET HONG KONG EASED RESTRICTIONS ON APRIL 1, SO IS IT UP TO THE CORPORATE TO UNDERSTAND GOVERNMENT ALERTS AND WARNINGS NOT TO TRAVEL TO CERTAIN LOCATIONS EVEN IF BORDERS ARE OPEN?

The U.S. Centers for Disease Control and Prevention's list of travel restrictions is just unbelievable. You know, you've basically got 125 countries on the high-risk list, and that includes the whole of Europe, the whole of North America and practically the whole of South America. So I don't think that is necessarily the greatest list to look at if you're planning your travel because I certainly wouldn't advise against travel to the U.K. If you came here, you would have no idea that there is a pandemic. Were you to get ill, there would be no restrictions with whatever drugs and intensive care you might need. So those lists seem quite out of date.

## ARE HEALIX CLIENTS WAVING THOSE ALERTS ASIDE AND TRAVELING INTERNATIONALLY AT WILL?

We look after [major corporations and NGOs] and all their business travelers. We look at virus prevalence in the country alongside an individual's health vulnerability, so it combines the two and gives a risk. We are doing that with a couple of major financial institutions, and they are not looking at restricting travel at all. They do want to know people's risk and vulnerability, but they are going absolutely hell for leather with travel at this point and telling us to expect massive numbers of travelers over the next couple months because it's all clicking back into gear. There are other issues we are focusing on right now ... obviously, in Eastern Europe at the moment. That will put a damper on everything; they are terrible events and have in some way pushed omicron out of the story. ■



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## States Sue U.S. Over Continued Mask Mandate

administration to let the mandate expire.

The suit, filed in the Tampa Division of the U.S. District Court for the Middle District of Florida, claims overreach by the CDC, the Departments of Homeland Security and Health and Human Services as well as the Transportation Security Administration, alleging the agencies have relied on prior narrow statutes to impose “economy-wide mask requirements ... at transportation hubs and while traveling on non-private conveyances which include aircrafts, trains, road vehicles and ships.”

The states pointed to economic harm caused by the mandates, invoking the cruise industry and destinations that rely on that industry to support local commerce as an example.

According to data firm Statista, major cruise lines’ full-year 2021 revenue remained close to 90 percent below 2019 levels, even after the CDC allowed a six-month no-sail order to expire in October 2020 and defined a path to begin cruising again in 2021 with a mask mandate in place. The CDC allowed federal masking requirements for cruise ships to expire on Jan. 15 this year, and cruise lines individually began to ease their own masking rules in March.

The lawsuit leaned into the terminology of “economy-wide mandates” to characterize the ongoing mask mandate on airlines and public transportation and cited the Supreme Court ruling in a suit brought in August 2021 regarding the CDC’s moratorium on evictions to support its characterization. It also pointed to recent carveouts like public school buses, for which the CDC lifted masking requirements in February. Attorneys for the plaintiffs also emphasized potential effects of masking on small children, including widely debunked claims like “reduced oxygenation.”

It’s unlikely that the ongoing masking mandate for airlines alone has impeded the industry’s recovery. TSA checkpoint numbers in recent months are within 10 percent to 15 percent of 2019 volumes and occasionally have surpassed 2019 volumes on specific days. That said, airlines, which individually imposed masking requirements for crews and passengers starting in May 2020, now are imploring the Biden administration to allow the mask mandates to expire on April 18.

A strongly worded letter signed by multiple airline CEOs states the mandates have outlived their usefulness. The letter goes further, however, in also pushing the administration to ease Covid-19 testing requirements for international travelers, citing recent changes in the U.K. and the European Union to lift Covid-19 travel restrictions. ◀

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The Beat



# Cos. Grapple with Policies, Procedures for Travel Return

BY CHRIS DAVIS

Travel managers have spent much of the past two years preparing for a day that, for many, finally appears to be here: the time when their offices reopen, their employees begin traveling again, and they can get back to a professional footing that echoes, if not equals, 2019. But even with two years of preparation, pushing past the Covid-19 pandemic can be an intricate process, particularly as internal and external rules and regulations change.

Many companies are in the midst of revising travel policies to redefine who can travel and the circumstances under which they can do so, and they are addressing the procedures in their travel programs to help would-be travelers re-enter a travel ecosystem that might be different than what they remember.

While the ways travel policies and procedures are changing vary by company size, industry and location, most are moving forward with a momentum companies—and their travel partners—haven’t seen during the two years, said Roger Hale, president and CEO of Birmingham, Ala.-based travel management company Adtrav.

“We’ve seen it just come barreling back,” Hale told BTN last month. “More and more of our customers, are saying, ‘OK, April 1, it’s pretty much open season.’”

In fact, many companies are beginning to lift the pre-trip requirements they implemented during the pandemic, said Will Tate, managing partner of travel management consultancy Goldspring Consulting, but still aren’t allowing a free-for-all of unlimited business travel.

“We saw huge numbers of people move into pre-trip approval requirements, and now you’re starting to see that dissipate,” Tate said. “I’d say half to three-quarters of our clients came into pre-trip, but now they’re letting it go back.”

Still, Tate noted a level of pre-trip scrutiny that differs from pre-pandemic levels. “It seems like there is a greater scrutiny on the [return on investment] of any particular given trip,” he said. “It seems as if buyers’ organizations are now saying, I know everyone went for whatever they went for, but now I think we do want to know a little bit more about what are we going to accomplish. Do we really need five people going to the conference or will three people do that?”

Mike Cameron, CEO of Salt Lake City-based travel management company Christopherson Business Travel, told BTN in an email that he suggested clients gear re-entry procedures toward the employees for whom busi-

**“We have entire consulting engagements now that are geared specifically to Covid preparedness for global trips, which are usually multi-legged and more complex.”**

—KESSELRUN’S BRANDON STRAUSS

ness travel is most critical.

“We’re recommending that clients evaluate the types of travel their organization requires to determine what’s necessary and purposeful, and then begin with those travelers re-entering first,” according to Cameron. “This requires alignment among an organization’s stakeholders, as well as engaging and listening to the needs of their business travelers.”

Cameron also noted some employees aren’t yet comfortable with the notion of business travel, and companies should take that into consideration when implementing re-entry procedures.

Companies also likely will have to consider how to approach business travel for another group of employees: those who have not received the Covid-19 vaccine, or a full-course of it. Some companies during the pandemic banned such employees from business travel just as some banned them from onsite work premises.

“A lot of companies are requiring vaccinations,” according to Brandon Strauss, co-founder and partner of business travel consultancy KesselRun Corporate Travel Solutions. For some, “there’s an unwritten policy that says, you don’t have to come back, but you ought to. And if you come back, you have to be vaccinated.”

“We do have some companies that require their people to be vaccinated to travel, and we have others who do not. It’s typically the bigger companies that are requiring the vaccination,” Adtrav’s Hale said, who said the TMC could help companies deploy pre-trip approval systems

that can deny travel for any reason, vaccine-related or otherwise. “We don’t know if they’re denying that travel because they’re not vaccinated or they’re just denying the travel,” he said.

## Procedural Changes

Once those who are willing and permitted to travel are ready to do so, there remains a level of work in preparing employees for travel, especially if their itineraries are international. But even for domestic travels, there is a considerable level of detail that must be managed.

“We’re finding that we need to do some retraining of the travelers,” Hale said. “These travelers haven’t traveled in a year or two. Getting them back on the online booking tool, a lot of their credit cards have expired ... it’s getting all that taken care of.”

KesselRun’s Strauss noted that quickly changing entry procedures throughout the world have made sufficient pre-trip preparation for international travel a must, and cautioned that such preparation should be extensive and encompass more than the travel itself.

“We have entire consulting engagements now that are geared specifically to Covid preparedness for global trips, which are usually multi-legged and more complex,” he said. “What do I need to do or do I need to know, even beyond vaccinations and quarantines, down to the street level: How are restaurants in this particular city? What do I do in terms of reservations? How often is the sky lounge open or closed based on staffing? It’s sort of soup to nuts.”

International travel also requires a level of duty of care by the organization, and Hale said many companies’ attention to the concept has increased as a result of the pandemic.

“There’s a renewed focus on duty of care,” he said. “Companies that didn’t have duty-of-care programs in place are implementing them, and those who have them in place are paying a little more attention to them. They want to know where folks are going, especially when they’re traveling internationally, and how they can get in touch with them.”

According to Christopherson’s Cameron, some of those changes to international risk management are being addressed through policy.

“The pandemic shined a light on the gaps many organizations have in their policies and how that affects their risk management,” Cameron said. “As people return to travel, we’re encouraging clients to review those policies and make sure they align with their new spend and risk management requirements. Rather than reinvent the wheel, some clients have simply added a one-page policy addendum to accomplish this.”

Some policies that govern travelers’ acceptable choices also are changing. While some companies are holding to pre-pandemic philosophies regarding travelers’ choices of

supplier and class of service, others are allowing their employees more latitude in that selection for a few reasons, Strauss said.

“We’re starting to see some policies relax a little bit more, to be more generous to the traveler,” Strauss said. “I think a lot of that has to do with the perception of safety. Also, to have flexible travel policies and be able to do more in terms of what they want or giving them more options and more flexibility becomes a job perk.”

Hale suggested such flexibility, however, did not extend to travelers’ choice of booking channel. In fact, he said some clients were tightening policy language around that in an attempt to keep would-be travelers on their radar.

“We are seeing more of a focus on having travelers come through the program,” Hale said. “Some companies now are mandating that you come through the program. No more of this going outside. They want everything booked here because they need to know where you are.”

Flexibility might also not extend to the use of unused flight credits, Hale said. One of the major consequences of the early days of the pandemic were the extensive banks of flight credits gains through cancellation many companies developed, and Hale noted that companies must decide how these credits will be used and the level of leeway travelers will have in their use.

“Some travelers push back,” Hale said. “It varies by company, but I think the most of them are taking a harder stance of, hey, we need to use this stuff up.” ■

**“Some companies now are mandating that you come through the program. No more of this going outside.”**

—ADTRAV’S ROGER HALE



# AJG Back to Business Travel as Usual—And More

BY ELIZABETH WEST

“Our business travel as returned with such vigor that our vendors are commenting that we will definitely meet and likely exceed our 2019 volume this year,” Arthur J. Gallagher & Co. sourcing director Harriet Washburn told BTN late last month.

The insurance and risk management broker never really put the kibosh on business travel during the pandemic. “We are a client-facing organization, and we like to be in front of our clients,” said Washburn. “We like to prospect for new business.”

That said, volume definitely slowed at the height of Covid-19. AJG had a temporary stop when airlines sliced capacity and grounded planes. Like many companies, AJG loaded a lot of canceled airfares onto UATP cards. After that point, the company elevated travel approvals to the SVP level, and distributed “all sorts of caveats and guidelines and cautions” to prepare employees who chose to travel but held back on any blanket halt on travel activity. Washburn said the company lifted trip approvals “several months ago” and the pent-up demand has sent levels through the roof.

“We exhausted the UATP funds right away,” Washburn said. “Our employees returned to travel with an alacrity that was astounding.” Including, she said, complex, multi-leg international trips with the support of risk management. “We haven’t had many problems.”

## In Growth Mode

Is this kind of business travel trajectory unique to AJG? Not really. BTN spoke to a number of companies, often those that engaged in essential worker travel or businesses that actually boomed during the pandemic, where business travel never went into a deep hibernation. Patterns changed, precautions changed and approval levels changed, but business travel continued. As the pandemic mindset times out in these companies, business travel is gaining volume almost immediately.

T-Mobile is another company that let its business determine the level of travel during the pandemic, with precautions and elevated approval, but without a hard stop. Jennie Robertson took a travel manager role at the Bellevue, Wash.-based company during the pandemic and said the company had returned to near 100 percent of pre-pandemic travel. But with a wrinkle: “T-Mobile acquired Sprint during that time,” she said, taking on their workers and travelers in the process and formulating travel volume around some new origin and destination cities like Kansas City and Frisco, Tex.

AJG has the same story, Washburn said, but on a global scale, extending points of sale to new markets in Europe and the Middle East as well as to Asia-Pacific.



**Harriet Washburn,**  
sourcing director,  
Arthur J. Gallagher & Co.

“The most exciting news is the result of a very significant acquisition. We are in the process of launching new points of sale globally. And what I find intriguing is that the company from which people are joining us had halted all travel. There’s significant pent-up demand and as of the day these folks formally joined Gallagher, they were already ready to book travel.”

## Changing the Program?

Truth be told, the program hasn’t changed that much for AJG, said Washburn. For T-Mobile, the pandemic ushered in a new TMC partnership thanks to consolidation, but policies and procedures haven’t been unrecognizably altered.

What has been different is how the company has sourced its program and communicated with partners. Washburn cited a bigger reliance on chainwide agreements and allowing existing contracts to roll over into the next year. She also said her suppliers had been supportive of her business travelers’ needs—with airlines pooling funds to UATP cards and car rental partners finding cars amid shortages. AJG’s TMC, Egencia, rolled out some technology enhancements that facilitated better travel processes.

Asked whether she thought continuing to travel during the pandemic and staying close to customers gave AJG a competitive advantage over peer companies, Washburn demurred.

“I really wouldn’t want to comment, but I can say that we are told by our vendors that we have recovered, that we continue to travel more aggressively during the pandemic and that we are the first to rebound. So that’s really as far as I’d want to go on that. But you can impart from that what you wish.”

# Fidelity Takes Return to Travel Step by Step

BY ANDY HOSKINS

“Business travel now looks completely different to how it did back in 2019. It’s more personal now, and every trip is treated as its own project,” said Carol Fergus, global travel and meetings director at Fidelity International.

Backing that up at Fidelity is ‘Ten Steps Back to Travel,’ a new program designed to scrutinize every trip from the point of view of the employee and employer. “When we think about travel now, we consider traveler well-being and work-life balance, sustainability, technology and cost, in that order,” Fergus said.

That philosophy puts the onus on the employee to decide if they actually want to travel or if a virtual meeting might be sufficient, she said. “The whole point of it is to make people really think, ‘Why am I doing this?’ What’s the value of the trip? How is it going to affect them mentally and physically? How is this going to affect their family?”

She continued: “When a booking is made, it’s then about providing them with the tools they need, the information they need, and asking them the questions to ensure they are properly prepared for travel.

“It’s about ensuring they have the tools to keep on top of that decision and track any changes in travel requirements. We need to make it seamless so they can carry that journey through themselves.”

Fergus added that “a really good TMC supporting you as a gatekeeper and providing the right information at the point of sale” helps prevent travelers becoming over-reliant on the Fidelity travel team.

“There’s an element of hand-holding, but then the onus is on the traveler to monitor the trip. Anyone who thinks they can just turn up at the airport now is going to have a very sorry experience when they arrive.”

Ten Steps Back to Travel was put together “mainly because of Covid” and its new complexities, but as it progressed naturally embedded well-being and diversity, equity and inclusion, said Fergus.

“We make sure women traveling on their own or the LGBTQ



**Carol Fergus,** global  
travel and meetings  
director at Fidelity  
International

community are provided with additional relevant information, but it’s also asking all our people to be thoughtful travelers. We ask them to think about the countries they’re going to and consider what’s culturally acceptable.”

Like other corporates, Fidelity sees the restart of travel as an opportunity to achieve new sustainability goals, primarily the halving of its carbon emissions from air travel. “We’re using 2019 as our baseline, and we have incremental targets of cutting emissions by 20 percent, 30 percent and then 50 percent by 2024, and that correlates more or less directly with our travel volumes.”

The company also is clamping down on one-day trips, promoting rail travel where practical, and looking at the composition of trips. “If you’re going to Asia, for example, do a network trip. Visit Singapore, China and Hong Kong in one trip and stay longer if that works for you. That supports emissions-reduction targets but also helps manage costs too.”

Fergus already is witnessing some generational differences as business travel recovers. “Some people just aren’t ready to travel yet, and some have decided it’s just not for them anymore after getting on and off planes for years,” she said.

“I think the younger generation will need to be controlled a bit more. They get the sustainability piece, and they’re great using technology, but they want to get out there and see the world. And I do believe they need to experience other countries and cultures in order to develop and to grow. I don’t think we can talk about diversity, equity and inclusion without people experiencing different cultures and broadening their horizons. It’s about finding the balance between sustainability, well-being, cost and giving those individuals that experience.”

## ROLLING OUT AN OBT

Fidelity has recently rolled out Concur as its global booking tool and, as travel recovers, is aiming for 76 percent of bookings being made through it within a year. “We’re not going to mandate it for the first six months. If they need to speak to the agents, they can continue to do that, but we’ll give everyone all the training,” said Fergus. “After six months, we believe most people should be well on their way to knowing how to use the tool. At that stage, we will stop them from phoning the agents for point-to-point bookings. We’ll hold their hands for the first six months ... but after that they’re on their own.”



# For Astellas, Pandemic Presents an Opportunity for a ‘Smart’ Reset

BY ANDY HOSKINS

For pharmaceutical company Astellas, the pandemic has presented an opportunity to reset its global travel program. Not only is it on the brink of appointing a single global travel management company, but it has also introduced what it calls a ‘Smart’ travel program—supported at the CFO level—to help company employees determine whether to hit the road or to keep it virtual.

‘Smart’ in Astellas’ use is an acronym that stands for “sustainable, mindful, agile, reportable and targeted,” said global travel and expense manager Sammit Khanndeparkar. “It’s there to make employees consider their work-life balance and clearly states, ‘Please travel only if required.’ ”

In the long term, Khanndeparkar said he expects the pharmaceutical company’s business travel volumes to reduce compared to 2019. Recovery so far is nascent, with business travel dampened by ongoing travel restrictions.

“Asia is still relatively closed, and we don’t want people traveling and encountering problems,” said Khanndeparkar. “Elsewhere, we have a big presence in the U.S., Latam, EMEA and even Africa, and we have colleagues traveling to countries where there aren’t restrictions—where there’s no quarantine or travel advisories.”

There is no lack of appetite for business travel, but



**Sammit Khanndeparkar,**  
global travel and  
expense manager,  
Astellas

stringent approval processes remain in place, and travelers are expected to do their due diligence on travel restrictions.

“We ask travelers to download the International SOS app and to check requirements before even booking travel, but it can still change between the time of booking and traveling. That’s why we’re in regular communication with them,” he said.

Despite the complexity of travel currently, the company is keen to drive up on-line booking adoption and sees the appointment of a single TMC and of Concur as its booking tool globally as key to achieving that.

“We had to globalize our travel program, and that was regardless of Covid. It was too regionalized previously. Everything was managed locally, and we had different policies and processes in place,” said Khanndeparkar. “We want to get everyone except top management booking online.”

The goal is 91 percent adoption, achievable thanks to what he describes as the “cleansing and total reset of our travel program.” He has experience on his side too, having pushed online adoption up to 95 percent at another company.

“Rolling out the new TMC will be a big challenge as well as getting people familiar with booking online,” said Khanndeparkar. “Many of our people have not traveled for a long time so it’s a re-learning experience for them. There’s going to be a lot of training sessions.” ■

## DELAYING DEALS

Astellas has addressed its accommodation program by introducing a single revised rate cap globally but is in a similar position to most corporates right now, with its minimal data from the last two years preventing it from drawing reliable conclusions.

“Our airline spend is [historically] pretty huge, but we’re just renewing existing contracts as I don’t know what my baseline is going to be,” said Khanndeparkar. “I’ve been very transparent with them and said maybe next year is the right time for me to say, ‘Right, travel is going to be 30 percent less’ or whatever, and to look at new deals then.”

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Priscilla Campbell



Sheila Kittle

# SETTING THE STAGE FOR TRAVEL'S RETURN

Travel managers throughout the United States, Europe and elsewhere are preparing for an increase in business travel after two pandemic-plagued years, as employees return to offices and Covid-19 travel restrictions begin to fall away. Two longtime travel managers, **Priscilla Campbell**, senior manager of global travel for Cambridge, Mass.-based technology firm Akamai Technologies and **Sheila Kittle**, director of global travel, for St. Petersburg, Fla.-based manufacturing company Jabil Inc., late last month spoke with BTN managing editor Chris Davis about their approaches to managing travel's return, including developing cross-departmental processes and engaging with suppliers. Edited excerpts follow.

## WHAT IS THE STATE OF PLAY AT YOUR COMPANIES REGARDING THE RETURN TO OFFICE AND TO TRAVEL?

**PRISCILLA CAMPBELL:** We are definitely starting to see an uptick in travel, and it has been most notable in the second half of the first quarter. We didn't have any additional restrictions put into place around travel, but our employees were being a little bit more cautious and selective about the trips that they were taking. Akamai is technically still in a travel restriction mode; it was due to expire on March 31. But in spite of that, we have seen travel start to pick up again, primarily driven by our customer-facing activity as well as some other critical components.

We have been returning to office in waves, since it may not seem practical in one country to open up and allow employees to come back, but it might in another country. Here in the United States and in our headquarters in particular, our offices are officially opening up. We

can go in on a limited basis. There are still some capacity restrictions, and there will be a more full opening May 1.

**SHEILA KITTLE:** We are a large global manufacturing solutions company, and we are subject to the restrictions and protocols in all the various countries that we travel, but Jabil never stopped 100 percent. We had our manufacturing sites to support, [and] a lot of those pivoted to an emphasis on the healthcare industry, especially in China.

The freeze at [the pandemic's beginning] was business-critical travel only and approved at the VP level. It went to an SVP-level approval model approximately a year and a half ago, and that is where it is today. However, we are definitely seeing an increase in travel.

## DURING THE PANDEMIC, DID YOU BRING IN ANY ADDITIONAL TECH TO FACILITATE THAT SORT OF PRE-TRIP APPROVAL PROCESS?

**CAMPBELL:** Our culture has always been, even prior to the pandemic, kind of a pre-trip-approval type of a culture anyway, so we actually designed and developed our own internal pre-trip approval tool that fed in from our HR. So there was a lot of visibility into who was traveling.

## WERE THERE OTHER CHANGES YOU MADE TO THE TRAVEL PROGRAM PROCESS TO SUPPORT THE RETURN TO TRAVEL?

**CAMPBELL:** I can't say that there's anything new in particular, but I think that there has been this heightened awareness between our teams that are responsible for employee duty of care, employee health and wellness, and that involves our risk management and security teams on one side and HR on the other side. We have been working much more collaboratively. We're emerging from the pandemic with a new sense of appreciation for each other's views. We've had

really purposeful discussions around making sure that, if an employee is on the road who needs assistance, it's one phone call—they don't have to call three different places or have to wonder who to call.

**KITTLE:** As Priscilla said and as we've heard from so many other travel managers, what did change was how closely we started working with employee health and safety and risk management. I report up to the chief supply chain and procurement officer, and our leadership and HR in the very beginning [of the pandemic] had daily phone calls to get information on what was happening at our sites, and that moved to weekly and bi-weekly meetings. That kind of collaboration, in my 35 years in travel, I have never seen anything like it, and I have been so impressed by the way Jabil has come together. I think a lot of travel managers have seen that elevation of our roles. It's an interesting and a good trend for all of us in travel management to see happen. I fully expect it to continue through those bonds that have been created.

## WHAT ABOUT MEETINGS? IN TERMS OF IN-PERSON VS. VIRTUAL VS. HYBRID, HAVE YOU HAD ANY NEW APPROACHES?

**CAMPBELL:** That has been a proceed-with-caution approach for us as well. We are looking at holding our first in-person meeting, and it is a smaller meeting, but it is global. So we have already seen the impact of how the pandemic is in a different state in different countries, so those employees were given the opportunity to opt out of attending because it was just too much of a hardship for them to travel and return back to their home countries. We are at this point proceeding with the meeting but all other meetings at this point are planned to be virtual.

We'll see if that changes as the year goes on, but for now, we are kind of keeping things virtual.

**KITTLE:** We do not mandate any of the meeting policy. That is handled at a regional level. But everything was virtual in the beginning except for in-plant meetings that had to happen with the personnel that needed to be there. The procurement department that I'm part of had our first in-person meeting with our suppliers in November. But it is definitely proceed-with-caution, and we've all gotten so comfortable with the virtual environment. It's not like it was two years ago. We definitely encourage everybody to embrace a virtual meeting whenever possible.

## HOW HAVE YOUR SUPPLIERS REACTED SO FAR IN 2022, IN TERMS OF YOUR DISCUSSIONS AND NEGOTIATIONS WITH THEM?

**CAMPBELL:** It's been interesting to listen to suppliers' perspective, where there's definitely an eagerness for them to get back to travel for obvious reasons. And I have felt on

was written into our contracts in 2019 simply doesn't apply today. We can continue to extend those agreements, because we're preserving the fundamentals and the foundations of those partnerships. But we know that at some point, we're going to have to revisit them and look at where we are.

**KITTLE:** Because we continued to travel throughout this pandemic and our chief supply chain and procurement officer was very concerned with making sure that we were supporting our suppliers—they were hit so hard—we took a little bit of a different approach.

We engaged a consultant to talk about hotels and air and in 2021 we went with a full air [request for proposals]. It was based on the analysis that was done prior to test the market to say: "Would you look at 2019 rates and honor that volume, knowing we're not going to be at 100 percent in 2022 or 2023, but we're going to get there within the lifetime of a new contract?" We were wonderfully surprised how many

**"I think a lot of travel managers have seen that elevation of our roles. It's an interesting and a good trend for all of us in travel management to see happen."**

— JABIL'S SHEILA KITTLE

many occasions it definitely wasn't aligned with the reality of where we were at and how ready we were. We would like to see things go back to the way that it was before, of course, but it's not going to happen before, from a company perspective, it's safe to do so.

But our suppliers have been great, I have to say, from the flexibility they've extended to us, understanding that everything that

carriers came back to us and said, "absolutely."

We did the same thing with hotels. We were able to provide some of the room nights they were looking for, though certainly not pre-pandemic levels. We also had great working relationships with individual properties. We had to create more direct relationships as the chains pulled away from some of the direct negotiations. ■



# TMCS REPORT STIFF COMPETITION FOR TALENT

BY MICHAEL B. BAKER

As travel management companies rebuild staffing levels following extensive layoffs and furloughs due to the pandemic, they are seeing a competitive environment in attracting talent.

Several TMCs are in hiring mode at the moment. BCD Travel, for example, has nearly 600 open positions worldwide, including travel consultants, program managers and travel tech experts, BCD senior manager of talent acquisition Suzanne Miechels recently said. Flight Centre currently is recruiting for about 150 open roles across various business areas in the U.S./Canada region alone, according to Flight Centre Travel Group people and culture leader for the Americas Lisa Baker.

Egencia late last year announced that, fresh from its acquisition by American Express Global Business Travel, it was starting a “major recruitment drive” for about 100 full-time, tech-focused employees across the U.S., Europe and India.

Given the high volume of layoffs at the onset of the pandemic, it would seem to follow that the pool from which to draw that talent would be deep, but TMCs said they are seeing some challenges in recruitment.

“It’s very competitive right now,” said Mark Rude, Amex GBT’s VP of global service delivery for the Americas. “There are less people in the talent pool because what the pandemic has done is forced decisions for people in terms of what’s most important to them. For people who were planning to retire, this was a good time, because family has become more important to them—and this has affected the whole travel industry.”

Beyond that, some are reluctant to return to the travel industry given its disproportionate impact from Covid-19, Rude said. This is amplified in countries that faced the strictest restrictions and lockdowns, where the industry was hardest hit.

In Australia, for example, there were about 35,000 travel advisors prior to the pandemic; in New Zealand, there were about 6,000, according to Australian travel technology company Aeronology CEO and cofounder Russell Carstensen. The pandemic chopped those numbers by 80 percent, and many are still reeling from that “brutal and swift reduction,” he said. That has led to service challenges.

“The biggest issue globally is that because a lot have left, there’s too much work, and they can’t keep up with all the bookings,” Carstensen said. “Sometimes premium customers couldn’t get through because things are so busy.”

*“There’s always a tendency to simplify what it takes to attract good talent: It’s a bit about brand and pay, but it’s also about purpose and culture.”*

—AMEX GBT’S MARK RUDE

Some of the industry knowledge lost with job cuts will be irreplaceable, particularly those agents with the skills to navigate the notoriously user-unfriendly global distribution system green screen, which requires extensive training and experience to master. Campbell Travel president Teri Goins said newcomers usually learn the graphical user interface version of the GDS, referred to as the “point-and-click” version.

“The legacy workforce would never [accede] to point-and-click, because it’s faster for them to work in the native GDS, but new candidates coming up live on point-and-click,” Goins said. “It’s an opportunity to teach them something they are used to doing.”

The need to reach a wider swath of content beyond the GDSs also has complicated the skill set required, Flight Centre Travel Group Leisure Americas president Marc Casto said.

“Prior to the pandemic, there was a drive to disintermediated content, largely driven by NDC and supplier dot-com sites,” he said. “These challenges led to a series of inefficient, partial solutions to meet the immediate needs.”

Some TMCs used the pandemic slowdown as an opportunity to improve tech for their consultants. Flight Centre, for example, deployed Helio, a point-of-sale shopping and search tool, on its leisure side, which Casto said is on track to double agent productivity compared with pre-pandemic.

Of course, bringing back laid-off employees to the fold has been a focus for TMCs. Amex GBT’s Rude said that 96 percent of employees who were asked to return agreed to come back. Flight Centre created an alumni site, “Flighties Forever,” to showcase opportunities across the company to former employees and industry professionals, where they find job alerts and detail their own skills and interest to be matched to opportunities before they are advertised externally, Baker said.

“It was always our intention to bring as many Flighties back home as possible,” she said. “It was important we remained connected to the people who

make up our family tree.”

BCD also looks internally first to fill roles and reports an average employee tenure of 11 years, Miechels said.

## Networking Strategies

For recruiting outside of their own employee base, word of mouth has become more critical for TMCs, Rude said. “Because there has been a bit of shaking of the confidence of the workforce and whether travel is a good place to be, when prospective employees are making a decision to come work for us, it’s much more important that they get the vote of confidence from someone they know and trust,” he said. “It’s a bigger decision for them than in the past.”

Flight Centre also recently launched a new referral program offering employees bonuses when they result in successful hires, Baker said.

TMCs are honing strategies to bring in talent from outside the industry as well. BCD, for example, has expanded its travel apprenticeship programs to attract new talent, Miechels said.

TripActions has an academy to give instruction and certification across the subject areas necessary for employees to ensure it can hire a mix from different industries, CMO Meagen Eisenberg said. “Any company needs to marry the domain expertise with the academic role expertise,” she said.

Larger shops have some advantages in the competition for talent, as those returning to or entering the travel industry often feel more secure at established brands or those with more solid financial backing. But TMCs have also had to adapt to new workplace expectations from employees in order to remain competitive in the talent hunt.

“The main areas of competition within any industry now have more to do with compensation and employee value propositions, benefits and remote work offerings,” Flight Centre’s Baker said. “We introduced a flexible working policy with remote and hybrid options that has minimized many geographic-specific challenges for us.”

TMCs also said their approach in

*“Travel is an industry driven by passion, and those that are in it love it.”*

—FLIGHT CENTRE’S LISA BAKER

corporate social responsibility plays a role in recruitment, as potential employees seek companies that share their values.

“There’s always a tendency to simplify what it takes to attract good talent: It’s a bit about brand and pay, but it’s also about purpose and culture,” Rude said. “Seeing travel as a force for good is very much a driver in things we do, and employees are looking for an organization where [things like] social progress and environmental progress are important.”

That also includes recruiting a more diverse workforce representative of the population. Campbell’s Goins, for example, said the agency has introduced an internship program in Dallas, working with a high school with a majority Hispanic and Black student population, where students have the chance to work across the agency’s divisions, including corporate travel. Upon graduation, they have the opportunity to join full-time in the division of their choice or to get an associate degree from a junior college, for which Campbell foots the bill.

Goins is looking to replicate the program in Iowa, where she is based.

“It gives them the opportunity to have a trade,” she said. “It’s not going out and working in F&B and earning minimum wage. They’re learning a transferable skill.”

Some travel professionals remain too shell-shocked to fully recommit to the industry post-pandemic and may need to ease in a bit more, Carstensen said. Aeronology earlier this year launched a new travel retail brand, The Travel Advisors, at which it hopes to attract a good portion of the talent that had left the industry to use its technology offerings to either set up their own business or as a part of a consortia.

Carstensen plans to take the program global over the next few years. “They may come in as a casual part-time manner, because we found a lot will not leave their existing jobs,” he said. “It’s a way to take little steps, with a low cost of entry and a low cost of staying there.”

Still, TMC executives say they expect reticence to join the travel industry to be short-lived as volumes, revenues and stability return.

“Travel is an industry driven by passion, and those who are in it love it,” Flight Centre’s Baker said. “The travel industry has proved itself resilient over the years regardless of natural disasters and world events and we are finding that we have a mix of talent applying for roles right now that include both those who want a new career as well as those who left out of necessity during the pandemic and are keen to return.”

Goins said not to discount the draw the leisure side brings in propelling future travel professional recruitment, with social media influencers highlighting the glamorous side of travel. She said when she goes to high school career fairs, while many initially are surprised to see that travel agencies still exist, she sees an interest not just from students but also teachers who are considering a second career.

“For a couple of years, we were wondering what we were going to do with the workforce aging out, but now there’s endless opportunity,” Goins said. “Travel has become a very attractive industry to be in. ■

# AS HOTEL RATES RECOVER, AMENITIES MIGHT LAG

BY TERRI HARDIN & ELIZABETH WEST

Pent-up demand has many business travelers eager to hit the road, but they won't be alone. They'll share the road with leisure travelers, for whom the prospect of seeing the people and places they missed during the pandemic is proving impossible to resist.

The surge in leisure demand has helped drive hotel rates close to pre-pandemic highs for some hotel brands. Sunny fourth-quarter hotel earnings pushed forecasters to speed up projections for full recovery. Commercial real estate service CBRE in March revised its recovery timeline for the U.S. hotel industry from 2023 to 2022—projecting rate, occupancy and revenue per available room to reach 2019 levels this year.

Globally, domestic leisure travel is driving the recovery in most markets, similar to patterns emerging in North America. That said, overall performance recovery will be somewhat slower, according to hotel industry data firm STR, with full recovery in the Middle East not expected until 2023, Europe in 2024 and Asia-Pacific in 2025. But particularly in Europe, rate will rise first—before occupancy and RevPAR—led by the U.K., which already has seen rates bounce close to pre-pandemic highs, according to the researcher.

As is the case in the U.S., the hotel industry in the U.K. and Europe has been buffeted by macroeconomic challenges, including supply chain and labor shortages, which are expected to continue even after governments ease two years of travel restrictions and corporate travel gets a jumpstart in 2022. The result of increased labor and supply costs, say many industry observers, will be higher rates passed along to corporates but potentially decreased on-site services as well. Business travelers and travel buyers will need to adapt.

## Operational Challenges Linger

Travel managers surveyed last fall in BTN's 2021 Hotel Survey pegged onsite food and beverage availability and

lack of onsite staff at the front desk or in other roles like housekeeping as their key concerns for travelers hitting the road. Those concerns may linger as hotels and onsite vendors continue to spin up their operations with fewer workers.

"A lot of hotels haven't opened up [all their] rooms yet," American Express Global Travel Business EVP of global clients and general manager for the Americas David Reimer told BTN in March. "Some hotels aren't at full service because they can't get team members to help run the hotel."

Then-CEO for Best Western Hotels David Kong last year told BTN that intermittent housekeeping for multi-night guests likely would become normalized for much of the hotel industry, due to staffing level changes and ongoing challenges. "If you need to have a housekeeper clean the room every day, you've got to have a lot more people, you need more staff. We can't hire the people. I mean, we were lucky to have people show up. It's very tough," he said. He also noted reduced breakfast buffets at Best Western properties due to local regulations and the number of workers that would be needed to execute a buffet-style set up in certain markets, adding that Best Western was working to deliver the full breakfast experience as soon as possible.

But the challenges are the same for restaurants that operate onsite, which often are independent vendors. Seven out of 10 restaurant owners in the U.S. reported worker shortages in a survey conducted in February by the National Restaurant Association, a U.S. trade group, and they didn't expect the situation to improve this year. In the U.S., the labor issue for hotels and restaurants is compounded by reduced immigration during the past two years. In the U.K., in particular, reduced participation from EU-based workers due to Brexit complexities has hamstrung the local hospitality market.

Hotels are working to get staffing levels up to meet demand.

"A big topic of conversation at all levels within the Marriott organization is to ensure that we have the staffing capabilities to service the guests and their expectations coming to the hotels," said Marriott International VP of global sales for the U.S. and Canada Kathy Mouw. "We've done job fairs, and we're offering different incentives to attract the right talent and to retrain and retain what we have."

Both Mouw and Accor SVP of guest experience for North and Central America Andrea Torrance said current staffing levels are different per market and are based on returning business levels. In Boston and Chicago, where the return to business travel has been slower, Torrance said, "hotels there probably look a little dormant."

## Could Tech Mitigate?

Even before the pandemic, hotels were emphasizing technology, particularly apps. Touchless technology "was happening before the pandemic. Now, if you can do a contactless check-in right down to the room key, I think people will take a digital form anyway they can," said Amex GBT's Reimer.

At the height of the pandemic, many felt the less contact the better, he said, and some have become accustomed to that approach. "People don't necessarily want to talk to people," Reimer added, "so if you can move faster and get done what you need to do without making a phone call, without having any interaction, a lot more people will choose digital first."

Mouw added that apps can do more than check travelers in and out, citing keyless door entry and housekeeping and service requests.

Even so, digital strategies and guest expectations depend on the market, noted Torrance. Especially in the upscale and luxury hotel tiers, digitizing the experience may go against the brand mission and the guest expectation. "In the first year, people were so ready for [apps]; they didn't want to talk to anybody. People now are striv-

ing for that human contact and to actually see a smile."

## What About Amenities?

In BTN's fall Hotel Survey, buyers voiced concerns about reduced sales staff and their hotel partners' ability to negotiate new contracts, or renegotiate or mitigate existing preferred partnerships based on the realities on the ground.

"Where we haven't had that steady level of demand, maybe we don't have all the sales staffing back," said Mouw. "But at least for the U.S., the sales staff is pretty much back. We've had to make sure we can respond to leads."

Smaller or independent properties, on the other hand, "work with diminished sales teams, and sometimes with no sales teams at all," said HRS SVP global supplier relations Lukasz Dabrowski. "We work with plenty of independent hotels that do not have commercial workforces, and they're making a tremendous effort to live up to expectations."

Whether a big brand or an independent, not getting what you negotiated is a situation that doesn't sit well with ConferenceDirect VP and team director and strategic meetings consultant Deborah Borak.

"Sometimes restaurants or club lounges aren't open," said Borak. "What does that mean if you have breakfast or club access included in your rate—are you just out of luck, or can you negotiate room service delivery or another option?"

That uncertainty was one reason a travel buyer for a major energy company chose to renegotiate the company's entire hotel program for 2021—despite industry advice to roll over rates for the pandemic year. The buyer said the company took a very different approach to the request for proposals, targeting market rates with the help of Yapta (now Coupa) and Tripbam data and making some allowances for strong leisure markets. The buyer presented those requests in each market to half as many hotels than were in the program before and included a mix of last-room available and regular rates. The approach alleviated potential resource strain for the targeted partners and sought to push total volume to fewer hotels.

The company achieved a 20 percent reduction in overall hotel rates in 2021 compared to 2020. After the first year with the new program, the buyer leaned into strong partnerships to roll over those 2021 rates to 2022.

"It wasn't like flipping a switch," said the buyer. "There was a lot of engagement and discussion and understanding what would make it easier for my partners. I'm super-fair, and I'm very transparent. That goes a long way."

That's the kind of process many buyers may be relying on in 2022: leaning into strong partnerships for the best win-win opportunities. In companies where business travel is rebounding—and there are many of them—suppliers are eager to respond.

And while achieving full pre-pandemic normalcy will be a challenge that hotels continue to face in 2022, said Torrance, "Even if we can't provide what was contracted three years ago ... I think we can always find solutions." ■

*"Even if we can't provide what was contracted three years ago ... I think we can always find solutions."*

—ACCOR'S ANDREA TORRANCE

*"Some hotels aren't at full service because they can't get team members to help run the hotel."*

—AMEX GBT'S DAVID REIMER



# HIGH DEMAND TESTS GROUND TRANSPORT SUPPLY

BY DONNA M. AIROLDI

Whether for safety concerns to limit potential exposure to Covid-19, or because of sustainability desires, the demand for ground transportation options for business trips continues to grow. But the environment has changed since March 2020.

It's been well-publicized that car rental companies, after decimating their fleets with significant sell-offs during the beginning months of the pandemic, found themselves with supply shortages once demand started to return. Though primary rental agencies have begun to bolster their fleets, they still are behind 2019 numbers, and some have redistributed their inventory to destinations with strong leisure demand.

It doesn't look like this will change markedly anytime soon, given the ongoing semiconductor chip shortage and nascent-but-growing return to business travel. Still, some travelers who used to fly shorter distances are opting for car rentals for social distancing—or because airlines have cut certain secondary and tertiary routes.

As a result, many business travelers find they may need to book further in advance to ensure availability. Prices have spiked to take advantage of this strong demand. In 2019, the mean daily price for car rentals was \$77, according to J.D. Power & Associates. It increased to \$85

*Business travelers may find they need to book rental cars farther in advance to ensure availability. Also, expect higher pricing.*

in 2020 and stayed steady in 2021, at \$84. But year to date in 2022, it's \$91.

In addition, Hertz exited or renegotiated corporate contracts during bankruptcy restructuring, so some companies aren't getting the same deals as before. Rising gas prices add to the costs.

## A Sustainable Shift

Another pandemic-era shift has been the increased focus on sustainability. Many car rental companies are expanding the availability of electric vehicles, including Hertz and Sixt. According to Hertz, at least some customers are willing to pay more for the option.

Some companies also are taking a new look at rail, particularly as they continue to expand their sustainability efforts, especially in Europe. Instead of short-haul flights, some companies are changing their travel policies to encourage alternative options if a trip is within a certain distance and rail is available.

Advito launched a rail practice in 2021, and Egencia the same year added new rail booking capabilities. The latter includes integrated rail bookings from Germany's Deutsche Bahn and the leading rail provider in Norway, and an alert about rail availability on the same route when a traveler is booking a flight. The alert service currently is offered in seven European countries and in the United States.

Ride-hailing companies have not been immune to changes these past two years. Both Uber and Lyft reported increasing business demand in the second half of 2021. The surge in gas prices, however, resulted in both companies adding temporary fuel surcharges on most rides. In addition, some drivers have cut their available hours because of the high gas costs—as gig workers, the companies do not reimburse them for gas—leading to lower supply and possibly longer wait times. ■



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# WORKPLACE SHIFT USHERS IN NEW MTGS. STRATEGIES

BY TERRI HARDIN & ELIZABETH WEST

The Covid-19 pandemic has taught employers about how much their employees, after two years of relative isolation, want to meet. “I’ll take myself as an example,” said IHG VP of Americas sales Jonathan Kaplan. “I moved into this role 14 months ago. Up until two months ago, I had not been in a room with my team. It was the eagerness of the team to be together that made it happen. “We weren’t supposed to meet until July, but the team pushed for us to actually move that meeting up to February.”

## Business Travel Takes on an “Event” Mindset

There’s broad agreement among travel suppliers and buyers that the changing workplace has ushered in a new type of business travel. A fall survey of 188 major employers conducted by the Partnership for New York City found that only 8 percent of workers in New York were in the office five days a week; 54 percent were fully virtual and the rest fell somewhere in between. The survey projected those numbers would change by the end of January 2022, but especially the projection for full-time, in-office workers wasn’t particularly strong. Employers estimated 13 percent of workers would be fully in person by that time and 21 percent would still be fully remote. The omicron variant—like delta before it—delayed some of those in-office dreams, but with its milder symptoms and rapid spread, it may also have set the stage for a stronger in-person comeback. Only time will tell, and different municipalities will have different numbers.

What we do know is that the corporate environment has changed. Fewer people are headed to the office on full-time basis, and the move to hybrid will bring both flexibility and frustration. The New York Times recently called it the “worst of both worlds” when a hybrid strategy goes wrong. Bringing people into the office but failing to coordinate timing with critical teammate can force a commute so people can sit in the office on Zoom meetings. It doesn’t have to be that way, but the path forward may be plagued with imperfect return-to-office experiences.

As the pandemic called the physical workplace into question, the industry saw the writing on the wall fairly early. It projected a different kind of business travel, which some now call “return-to-base” travel, but it doesn’t have to gather people to an actual headquarters location. What it does have to do is provide a critical connection point for teams and collaboration groups and provide a sense that while the workplace may now be remote or hybrid, the company still provides a cohesive touchpoint and a tangible workplace culture and offers purposeful, mission-driven opportunities. That sounds familiar... are we planning events?

American Express Global Travel Business EVP of global clients and general manager for the Americas David Reimer late last month said it’s really a similar idea—and it positions business travel at a critical juncture as companies look at the future of work.

“Getting together with a bunch of people—that’s what empowers innovation, cultural understanding and commitment toward company strategy and goals in a far more meaningful way,” he said, “I think business travel is the center of that new company culture.”

## Now It Needs Managing

“There’s been a proliferation of booking meetings for smaller volumes that is just absolutely exploding,” said American Express Meetings & Events VP for the Americas Linda McNairy. While not all these are internal team meetings, many are. “We talked to all our suppliers and hoteliers. Everybody’s saying it’s absolutely exploding in terms of how our customers are managing ad hoc get-togethers and how they’re working with clients to manage it.”

A lot of remote teams have been booking their own meetings using simple tools, but there are ways to harness the explosion of small meetings bookings and tools to assemble a solid self-service model, said Gold-Spring Consulting partner Will Tate.

“It’s not dissimilar to what we’ve seen in the transient space, where they moved to mobile booking for lower-value transactions. If they’re small, simple bookings, why not do them automated? It’s a lower-cost channel and doesn’t require the TMC resource,” he said. “Corporations are looking for a self-service model that’s going to allow their employees to source small meetings directly while following their internal policies.”

The trend to manage smaller, non-centralized meeting activity was underway prior to the pandemic. Suppliers like Bizly, Bizzabo, Groupize, Hubli and others have and garnered investor funding and more clients during the pandemic.

In a 2022 BTN op-ed, Bizly CEO Ron Shah posited that meetings will define the future of business travel. He wrote, “Starting with meetings will lead to a better ROI calculation, much clearer travel justification led by data, and an optimized mobile

workforce. Not only would travel programs improve with this configuration but taking this holistic approach would also lead to significantly better experiences for travelers. When you start with meetings, your program managers, support team and travel agents all understand the ‘why’ of the trip throughout the traveler’s journey. This deep sense of understanding is the future of corporate travel.”

## Which Venues Will Meet the Need?

A hybrid workplace may need a hybrid approach to this new type of business travel. One solution is the office itself. Simple meeting platform providers like Hubli and Bizly promoted at BTN’s Innovate Conference last fall their ability to load onsite corporate space into their platforms—giving work teams more control over their in-office meeting plans.

“A client was talking to me about hybrid best practices for internal meetings, as they are returning to the office,” said McNairy. “They’re using some of their internal space, but they also have people who are join remotely at different locations.”

Work-life balance, health issues or other inhibitors will always be in play in our flexible workplace future. So hybrid capabilities will be required.

“Work from anywhere” facilities like LiquidSpace, Regus, WeWork and including dedicated event facilities like Convene, which also has day-working spaces, can be an option. Traditional hotel partners are looking to meet the need as well, said Reimer.

“Hotels are really thinking about how they configure solutions with partnering for a meetings and events perspective to make sure we have some readymade propositions,” said Reimer. “And there will be more demand for that.”

IHG’s Kaplan said the hotel company has specific brands that specialize in such scenarios, pointing to Crowne Plaza, Holiday Inn, Holiday Inn Express and Indigo, and traditional brands are competing for that same business.

Accor president and CEO Sébastien

*“Getting together with a bunch of people—that’s what empowers innovation, cultural understanding and commitment towards company strategy and goals in a far more meaningful way. I think business travel is the center of that new company culture.”*

—AMEX GBT’S DAVID REIMER

Bazin this year in the company’s most recent earnings call forecasted a permanent drop-off in international business travel and alluded to a more focused strategy at Accor to attract smaller, local business to replace that business that would traditionally convene in city centers.

“You have millions of people living in the city where you never offered them anything to enter your hotel. This is the time to do it,” Bazin said. He predicted “a lot of hybrid meetings” mixing people but at multiple satellite locations “connected through digital to the same event.”

## What’s a Traditional Meeting Now?

If at least a portion of traditional business travel is now going to look and act like a meeting, what will a traditional meeting look like? “Hybrid” is a popular word these days.

“The pandemic was a huge accelerant for our virtual and hybrid offer,” said Convene president and COO Amy Pooser. To put it in perspective, “We did the first hybrid meeting in 2011. But it was the pandemic that caused us to double down in building out this virtual platform and building out amazing service experience around that platform.”

That said, it behooves meeting organizers to figure out how much or little hybrid capability an individual meeting or conference will require, and to create policies around it.

For Pooser, having the hybrid option is an advantage that injects worry-free flexibility into quick-changing environments. “Clients contact us for a physical meeting, but at contract signing, they say, ‘Well, 30 percent of this will be hybrid.’ By the time the event is executed, that’s gone up to 60 percent.”

On the other hand, said ConferenceDirect VP and team director and strategic meetings consultant Deborah Borak, hybrid options can be expensive and organizers need a solid strategy for executing that content, suggesting surveying potential attendees before making buying choices.

“Maybe it is 10 percent of your group. Or do you have 50 percent who don’t want to travel? Decisions are being made without the knowledge of what attendees really require.”

There is another aspect to having hybrid options—for live meetings. According to McNairy, “We worked with one customer who had a meeting that was predominantly face-to-face but wanted a hybrid element. Not just for those who couldn’t travel to the meeting, but in case there was anyone during the meeting who got fatigued or overwhelmed by the in-person experience, to say, ‘I’m going to sit this out this afternoon, I’ll join virtually.’”

As buzzy and important as hybrid options may be in the current environment, don’t write off the attraction of true in-person events.

“Some groups have only 50 percent attendance at their conference, and some have seen 100 percent participation or more and have had to scramble to get more rooms or space,” said Borak. “A lot is predicated on the group and what discipline they are in. I’ve talked to [organizers] who said, ‘We’re actually having to beg for more rooms because the group is picking up over 100 percent.’” ■



# TECH PROVIDERS HONE SAFETY, SUSTAINABILITY FOCUS

BY MICHAEL B. BAKER



The onset of the Covid-19 pandemic forced travel technology providers to quickly turn around solutions handling a new reality of canceled trips and heavy restrictions, but it also lit a fire under many long-standing areas of focus—including sustainability and artificial intelligence—that will remain of heightened importance in a post-Covid world.

One lasting impact could be the re-emergence of pre-trip approval functionality. Travel Tech Consultant president Norm Rose said he found in 2017, while doing research, that companies had largely moved away from requiring pre-trip approval. As most companies shut down travel to only essential

*“Everyone is reaching for the AI and chat piece, but they have to make sure they deliver something that doesn’t upset people.”*

—GOLDSRING’S WILL TATE

trips, of course, that brought back the need for approvals, and tech and travel management companies have been working to support that need.

Corporate Travel Management, for example, announced a new global technology suite that includes a global trip approval system, sourcing passenger name record data from all of CTM’s global locations to feed into the TMC’s risk management systems. Egencia earlier this year announced a new tool that uses artificial intelligence to help set up and manage the trip-approval process.

Even as governmental and company restrictions on travel ease, the need for pre-trip approval will continue, particularly as companies have a higher focus on employee safety and sustainability coming out of the pandemic, Rose said.

“It’s being re-introduced in a different light,” he said. “There’s more scrutiny over the necessity of a trip.”

To that same end, technology to help companies track and limit their carbon footprint also has been a focus over the past two years. Serko, for instance, last year incorporated a carbon-offsetting-oriented display into its Zeno booking tool. American Express Global Business Travel developed a “Green Compass” tool that lets companies experiment with different “levers,” such as using rail instead of air or switching to greener hotels, to see the impact on their carbon footprint.

Automated and AI-powered service features have been a focus of tech providers over the past few years as well, exacerbated by smaller support staffs and increased wait times at service centers for airlines and other travel suppliers. Relying too heavily on the technology, however, is a risk and will only frustrate travelers if they cannot get an issue handled,

GoldSpring Consulting partner Will Tate said.

“Everyone is reaching for the AI and chat piece, but they have to make sure they deliver something that doesn’t upset people,” Tate said. “The sweet spot is differentiating what can be handled from automation.”

As such, the pandemic equally has highlighted the value of a skilled human touch alongside the technology, Berlin-based TMC Comtravo managing director Jannik Wässa said in a recent ITB Berlin Convention panel.

“The technology can handle more and more, but there still will be the situation where you need human support,” he said. “Technology mimicking the person can take the load off the agent, and the agent jumps in when necessary.”

Travel technology suppliers also have been reacting to the changing patterns and purpose of business, particularly as more employees have work-from-home or hybrid office arrangements. Get Travel Solutions founder and principal consultant Karoline Mayr said online booking tools and other technology suppliers likely will focus more on group travel as more companies will need to arrange get-togethers for workforces that no longer see one another on a daily basis.

“There’s a change in the way that we’re traveling for business, where every trip is an event,” according to Mayr. “What’s the technology that comes along with that, and how are they going to book it?”

Bringing all of that together will be a challenge for tech companies, as a lot of the meeting space, for example, is not currently something that can be booked through global distribution systems. Still, some tech providers already have been making progress. TravelPerk last year launched a new solution,

TravelPerk Events, meant to help team book such company events as offsite meetings and seasonal parties. SAP Concur partnered with Groupize to offer an end-to-end self-service meetings management solution. One of the newer entrants on the online booking side, Psngr1, has incorporated a collaborative trip planning tool where users can duplicate bookings and add trip events like meals or meetings to a joint itinerary.

Consolidation, of course, remains one of the biggest trends in the travel technology industry, with a long list of smaller technology providers becoming a part of larger firms over the past two years. It’s a trend that was happening long before Covid-19, but the pandemic’s devastating effects on the travel industry paved the way for a buyer’s market for many of these companies.

The consolidation and other market conditions has pulled some tools off the market. Upside Business Travel, which focused on unmanaged and lightly managed business travel, ceased operations last year, as did SME-focused Lola, which was later absorbed by Capital One. Coupa has turned its technology acquisitions Pana and Yapta into its own new travel offering, no longer making them available as independent stand-alone services.

As TMCs have acquired online booking tools to offer as their own proprietary technology, there are “fewer independent tools to choose from,” at least those able to offer solutions on a global scale, Partnership Travel Consulting SVP of global travel technology integration Guy Snelgar said during a recent BTN webinar. As a result, some buyers are feeling more pressure to default to their TMC’s technology rather than source their own tool. That doesn’t mean there won’t be continued innovation in independent tools, he said, citing Psngr1 and API-based travel ecosystem Spotnana as examples.

“Whenever there’s a gap in the market, something new comes along,” Snelgar said. “I don’t think it’s yet to the stage where it’s going to become harder and harder to source things, because the market has a way of regulating itself, and I believe there will always be a demand for a TMC independent tool.”

The technology-first platforms, meanwhile, have been making their own moves, in particular TripActions, which over the past year has acquired Scandinavian TMC Resia, Comtravo and U.K.-based Reed & Mackay.

“Technology companies are moving into travel, and travel companies are moving into technology,” said Comtravo’s Wässa. “Who will win? You can learn travel, but it’s much harder to learn technology, so we believe in the long run it will be the technology players who are accelerating and driving innovation in this area.”

*“Tech companies are moving into travel, and travel companies are moving into tech. Who will win?”*

—COMTRAVO’S JANNIK WÄSSA

# FOR CARRIERS, COVID LEAVES AN UNRULY LEGACY

BY DONNA M. AIROLDI

During the past two years, flying the friendly skies for many business travelers went the way of free hot meals in coach on domestic flights. As air demand begins to rally, flirting with or exceeding 2019 levels thanks to a leisure boom, that surge has come with an uptick in unruly passengers—mostly due to incidents involving noncompliance to the federal mask mandate, currently in place through April 18.

The number of U.S. unruly passenger incidents spiked in 2021 to 5,981 with 4,290 mask-related, after remaining relatively steady for several years through 2020, according to the U.S. Transportation Security Administration. The trend is beginning to reverse itself, however, with 1,035 incidents—668 related to masks—reported this year through March 28.

Some industry suppliers and organizations, led by Delta Air Lines CEO Ed Bastian, have requested the government enact a no-fly list for unruly passengers. The Biden administration hasn't weighed in yet, but there certainly are two sides to the issue.

Bastian and the Association of Flight Attendants-CWA, have argued that it's not safe for employees to deal with such incidents, and banning perpetrators from one airline does not preclude them from flying on another. McIndoe Risk Advisory president Bruce

**TWO MINDS ON NO-FLY LIST FOR UNRULY PASSENGERS:**

*"[It would be] awesome, as it takes it out of the hands of airlines, which have no consistent protocols."*

**—TAKEDA'S MICHELLE DE COSTA**

*"[Bastian's no-fly list request] was well-reasoned but not very specific about what would get you banned."*

**—J.D. POWER'S MIKE TAYLOR**

McIndoe told BTN the prospect of a no-fly list would be "awesome, as it takes it out of the hands of airlines, which have no consistent protocols." Takeda global head of travel, meetings and events Michelle De Costa also said she thinks it's a good idea and hopes she'd be informed if any of her company's travelers were involved in an incident while respecting privacy protocol.

Others, however, have argued against the list, including eight Republican U.S. Senators who sent an opposition letter to Attorney General Merrick Garland as well as J.D. Power practice lead for travel and director of the airport practice Mike Taylor, who told BTN that Bastian's request "was well-reasoned, but not very specific about what would get you banned."

Many carriers banned the sale of alcohol on flights in order to curb the rough behavior, but those sales are returning. The likelihood of business travelers having to deal with an unruly passenger, however, currently is diminished because air's business travel segment has a way to go before hitting any 2019-level recovery benchmarks.

After many carriers reported upticks in business bookings during 2021 third-quarter earnings calls, the Covid-19 omicron variant from the end of November put a hiccup in that recovery during the following months. By March, however, corporate bookings resumed their upward trajectory, according to multiple airlines, which have been predicting strong demand through spring and summer.

Delta Air Lines recently told BTN it expects its business travel segment to be 65 percent recovered by the end of the first quarter. American Airlines projects 66 percent recovery in April, while United Airlines said at a recent J.P. Morgan conference it was close to 75 percent recovered.

## Route Changes, Fuel Prices, Fare Increases

Major cancellations at the beginning of the year due to employee Covid-19 cases and bad weather caused carriers to trim their schedules the first quarter. Further, some carriers, including American and United, reduced schedules because of delivery delays for Boeing 787 Dreamliner orders. In addition, the four largest U.S. airlines have noted challenges with pilot shortages, especially for their regional routes. This has led to cancellations in some secondary and tertiary markets.

The carriers have increased pay and incentives to lure workers back. But in the meantime, the removal of some direct routes means more connections, more time in the air and less time in meetings and offices. And higher prices.

Demand already is outstripping supply, with many planes flying full, causing prices to rise. High fuel prices also are pushing up airfares, even though no U.S.-based carrier has announced any fuel surcharges. Since Jan. 31, when the minimum business fare was \$515 and the total average fare was \$221, according to the Cowen and Co. Fare Tracker, prices have soared. As of March 21, the minimum business fare was \$906, and the total average fare was \$395.

Just as some countries around the world began to loosen or drop their Covid-19 entry restrictions, easing international travel, fuel prices and rerouted flights because of the conflict in Ukraine also have contributed to higher fares.

Still, industry executives have reported immediate bumps in ticket sales as soon as these international entry requirements and restrictions are lifted. They also have said that higher fares have not negatively affected sales, given so much pent-up demand to travel, be it leisure or business.

*Airfares have soared since the beginning of 2022. As of March 21, the minimum business fare was \$906, and the total average fare was \$395*

**SOURCE: COWEN & CO. FARE TRACKER**

## Sustainability Focus

Meanwhile, the pandemic at least in part spurred some suppliers to focus more attention on sustainability efforts. Carriers are adding sustainability officers, adding more fuel-efficient aircraft to fleets and setting carbon-neutral goals. Corporations have, too, and are increasingly asking travel managers to provide sustainability reports for business travel. This has led to carriers making agreements to not only purchase sustainable aviation fuel but also to help develop it, for some carriers to offset corporate account CO2 emissions, and for others to launch sustainability programs for corporate customers, including JetBlue and United, which recently made available a sustainability dashboard and report for corporate clients to track their carbon footprints.

In addition, the International Air Transportation Association is waiting on approval for its new CO2 calculation methodology, which is expected in the coming weeks.

## Airport Changes

The U.S. Bipartisan Infrastructure Law signed by President Joe Biden in November, provides \$15 billion for airport-related projects, which can include investments in runways, taxiways, safety and sustainability projects, terminal, airport-transit connections and roadway projects, according to the Federal Aviation Administration. For fiscal year 2022, the government made \$2.89 billion available to U.S. airports.

Business travelers might not recognize their regular hubs when they return to travel. Some airports already had improvement projects underway and used the downtime during the pandemic to push through projects. One example is the revamped and consolidated Terminals 2 and 3 for Delta at Los Angeles International Airport, scheduled to open April 20—18 months ahead of its initial schedule.

New York's LaGuardia Airport revamped and reopened its Terminal B during the pandemic. Across Queens, John F. Kennedy International Airport also is getting an overhaul, including British Airways consolidating its operations into American's Terminal 8 later this year. And nearby Newark Liberty International Airport is getting a new Terminal A. All these projects will include new and expanded lounges. More openings are on tap to debut between 2022 and 2026.

Technology plays a key role in some changes, with the Transportation Security Administration testing and rolling out automated screening lanes, biometrics technology like facial recognition and "credential authentication technology," in which ID authentication, reservation verification and Secure Flight pre-screening status are "known in 'near' real-time" at airport security checkpoints. ■





# Seeing the Future of Travel Management

A Q&A WITH GBTA CEO SUZANNE NEUFANG

After a year at the helm of the Global Business Travel Association, CEO Suzanne Neufang this month spoke with BTN editorial director Elizabeth West to about the pace of business travel recovery, changes in travel managers' responsibilities and the responsibilities the industry must shoulder as we step out of the pandemic and into the future.

### LET'S GET THE CRYSTAL BALL. WHAT IS THE OUTLOOK FOR GLOBAL BUSINESS TRAVEL RECOVERY?

**Suzanne Neufang:** We released our Business Travel Index [in November] in Orlando, which was pre-omicron. We've learned that while omicron delayed the return to office, companies that were traveling didn't put their travelers back in the bunker. 2021 was about a 33 percent lift from 2020, which was slower than we expected because of the delta variant. For 2022, we expect another 38 percent to bring global business travel spend back to \$1 trillion. In 2023, it will slow down a little bit, but on a bigger base, so probably 23 percent. And by the end of 2024, we should be back at that \$1.41 trillion for global spend.

### FORECASTS AND ESTIMATES CAN AGE OUT QUICKLY IN THIS ENVIRONMENT. DO YOU SEE TRENDS AFFECTING THOSE PROJECTIONS?

**Neufang:** It'll be interesting to see how gross domestic product and other economic indicators track with business travel growth. And, honestly, it will be interesting to see if we're underestimating 2022 because of the pent-up demand, but there are lots of factors coming into play.

### CAN WE EXPECT THE GEOGRAPHICAL VOLUME MIX TO CHANGE SIGNIFICANTLY?

**Neufang:** We see across all geographies domestic travel came back fastest and steadiest. Cross-border international has been slower to come back. In our February

industry poll, 73 percent of respondents said that nonessential domestic business travel was allowed [at their organizations]. Only 48 percent allowed nonessential international travel. There are several countries with [restricted] borders where domestic continues to be strong: Australia, China and the U.S. are among those. We see a few places opening up. The EU has implemented protocols that spanned borders—so cross-regional travel in Europe was one of the first regional markets to open again with some confidence.

### WHAT IS GBTA ADVOCATING FOR IN TERMS OF OPEN BORDERS OR REDUCED TESTING?

**Neufang:** We see the U.K., Denmark, Canada, and some other countries stepping forward and not requiring that inbound test result for vaccinated travelers or maybe not even asking if you're vaccinated anymore. That 'international angst' will go away [as more countries reduce entry requirements]. The last letter we sent to Washington, [D.C.] was to ease testing rules for vaccinated travelers coming back into the U.S. Business travelers even since last summer were highly vaccinated, and we've clarified the difference between business and leisure travel—and that is one of the most important advocacy messages we continue to have, whether it's U.S. government or Canadian or British or the EU or beyond that to Latin America and Asia-Pacific. Business travelers are traveling with intent and, in all likelihood, they have corporate guidance on their side as well to make sure travelers are as protected as possible. The uncertainty of going to a place and not being able to come back again—that is one of the biggest suppressions for business travel.

### THE PREMIUM LEISURE TRAVELER IS NOW IN THE MIX. WILL TRAVEL MANAGERS HAVE TO DEAL WITH MORE COMPETITION FOR TRADITIONAL BUSINESS CAPACITY?

**Neufang:** Premium leisure filled the gap [and] maybe that will be frustrating for premium business travelers when they come back and find there aren't a lot of seats at the front if they were used to that. But pent-up demand for leisure travel that everybody needed to get to feed their soul will balance out with [what is now] equally pent-up business travel demand. Beyond that, though, there's the idea of blended travel. We are now looking at business travelers who may be a little bit of a digital nomad, a little bit leisure, a little bit meetings and events—especially if we now view "return-to-base" travel [for remote workers] as a kind of event rather than a commute. Workers are thinking about their own business travel in new ways, and the travel manager's job is becoming more complicated, with different origins and destinations but also with creating policies around this kind of blended travel that we haven't necessarily seen so much of before.

### HOW DO YOU SEE TRAVEL MANAGERS DEALING WITH THESE NEW COMBINATIONS AND COMPLEXITIES?

**Neufang:** We see travel managers with a seat at a more strategic table, where they have more interaction with HR, with finance, with risk management, with sustainability teams ... ultimately, with [understanding] their workflow as providing the supply chain of human talent, right?

### TELL ME MORE ABOUT THAT CONCEPT OF HUMAN SUPPLY CHAIN MANAGEMENT.

**Neufang:** Supply chain is so much in the news these days, but humans in business travel are [part of that story]. We're the industry that best connects [people] to collaborate across borders, whether that's employees to colleagues, corporate strategies to actual implementations or even connecting politicians for world peace. I think the last two years have really shown us how hard it is to maintain [organizational] culture, retention and customer excitement when all interaction is done virtually. When people are left in their silos—and I include government among these—sometimes things don't work out to the best. Human-to-human interaction encompasses a lot, and it's ultimately our responsibility to each other and to this industry to make sure ... we are doing the best job with that. ■





2<sup>ND</sup> ANNUAL

# Travel Procurement

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