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BUSINESS TRAVEL NEWS

November 6, 2023

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EDITOR'S LETTER

Big Changes on the Horizon

One of the finest skills a travel manager can possess is how to distinguish effective current innovation from the promise of future innovation. That skill is only going to grow more important as the industry turns a calendar page into 2024—with both established suppliers and managed travel industry startups introducing new products, platforms and services powered by the likes of New Distribution Capability, generative artificial intelligence, blockchain and other emerging technologies.

In reporting for this special BTN editorial series on innovation, one tech industry travel buyer summed up the current mood of the managed travel industry:

"2023 and 2024 will be noted as milestone years where we saw major industry paradigm shifts. We'll see them in electronic ticketing, online booking tools and other self-service types of tools. We'll be replacing legacy systems, processes and technologies with a new level of tech that will bring [us] new services from suppliers, along with new quantities of data and better-quality data that we have never had before."

Travel buyers will need to perform shrewd assessments of new tech features and capabilities, security and data governance and, of course, the user experience before buying into the sales pitch for new tools. (They should lean on IT teams for help.) And despite challenges in terms of funding and implementation, a plurality of travel buyers have said they are looking to invest in more innovative travel solutions that will drive better cost-saving opportunities and traveler experience outcomes.

An October Global Business Travel Association survey showed NDC would be the primary focus for technology investment in 2024, likely driven largely by intermediaries and suppliers, both of which were in GBTA's respondent pool. But buyers will be looking at those solutions critically, and 71 percent say they still need to have more education on what NDC stands to accomplish (see page 5). Progress with AI is also on the horizon, with about a third of all GBTA survey respondents excited about the prospects but with another third feeling tentative about its impact. Either way, it's coming, and buyers again will need to prepare (see page 14). Blockchain technology may have felt stagnant during the pandemic, given the lack of travel data coming through systems. With the rebound of business travel—which the GBTA poll put at about 75 percent of pre-pandemic volume—that data is back on track and there will be new ways for travel managers to organize, secure and interrogate it (see page 18). Secure blockchain ledgers may also hold keys to traveler experience and personalization elements for companies that want to dig deep into the possibilities of self-sovereign identity (see page 23).

However travel managers choose to approach innovation in the coming months, BTN is always at hand to help inform and educate.



Enjoy this issue,

Editorial Director, BTN Group

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NAVAN



Dear Partners and Colleagues,

“Breathtaking” doesn’t even begin to describe the pace of innovation this year — not the least of which, of course, involves the revolution wrought by generative AI.

But innovation doesn’t always begin with a technological breakthrough. Sometimes, it stems from a more human endeavor: listening to your customers. Considering their needs can be the catalyst to true game-changing creations.

That’s exactly how Navan Connect came about.

Some customers told us that they loved their credit card provider, but not the separate expense management platform it required. There was just one problem: We (and our more modern competitors) had not created an either/or solution. Implementing our back-end platform required using our corporate smart card.

But could we change the status quo?

Our engineers got to work, collaborating with Visa® and Mastercard® and setting out to blaze a new trail — one that allows customers to keep the credit cards they value and supercharge them with an innovative expense management solution. The goal: To make life easier for travelers and the finance teams that support them.

The collaborations bore fruit, and we announced the result, Navan Connect, in June. Then, last month, Navan and America’s third-largest bank, Citi®, announced a strategic agreement to leverage this innovative card-link technology for Citi’s commercial cardholders in the U.S. It’s just the beginning. And it’s exactly what our customers were asking for.

Sometimes, the most forward-thinking innovations begin with the most traditional practices. It’s a powerful lesson to keep in mind as the ideas in this issue inspire you to do what we do at Navan every day — bring big ideas to life and pioneer a groundbreaking future.

Michael Sindicich
EVP and GM, Navan Expense
Navan

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FOREFRONT

The State of Play

Innovation in managed travel is heating up—again.

BY ANDY HOSKINS

Once defined by paper tickets and time-consuming phone calls to reservations teams, the business travel industry today is underpinned by an intricate web of technology, tools and processes designed to enhance the booking and management of travel and to improve the on-trip experience.

Yet pain points persist wherever you look, and the industry is simmering with startups whose raison d’etre is to deliver convenience, personalization or automation. That the sector is so ripe for innovation, say some commentators, could be due to its complexity. “There’s a lot of room for improvement in travel,” said Hansini Sharma, practice lead for corporate travel at Acquis Consulting, and one of four judges at the BTN Group’s 10th annual Innovate event, held in October.

“As an industry we’ve made tremendous strides in the last three to four years. We have the ability to innovate, there’s an interest and an appetite for it, and there’s funding for new ideas. We saw a lot of entrepreneurs emerge [during Covid], and we have a lot of interesting new solutions,” said Sharma.

But innovation is not just the preserve of startups, she noted. “There’s also an opportunity for legacy players to innovate and to push the boundaries of their technology because travel really is a playground for innovation.”

The Innovate competitors in New York last month illustrate not only the current breadth of innovation but also the focus on the application of artificial intelligence.

Hubli showcased its new tech for booking companies’ internal meeting spaces, while Bizly is tackling small meetings, and BTP Automation is addressing a “35-year-old hotel sourcing issue” in requests for proposals and hotel compliance.

Tripkicks is providing travelers with insights and guidance at the point of booking “so they can make the best decisions” for themselves and their company. Snowfall is bringing content together to offer multimodal trips, and Mobility IQ and HQ each are addressing the underserved ground transportation market. The latter was named Innovator of the Year (see page 6).

On the AI front, travel management company ATG showcased Baldwin, its “intelligent” IBM-powered assistant, Cerebri AI presented its data analytics capabilities, and Navan received an honorable mention for its AI-driven Ava technology.

Two legacy players also showcased new lines of business with accommodation specialist HRS moving into flight disruption management and travel management company AmTrav showing off its Gather tool for managing unprofiled travelers.

The People’s Choice award, voted by Innovate buyer attendees, went to two former winners whose companies each have been acquired by expense management specialist Emburse and were showing off the first fruits of their combined labors.

Jeroen van Velzen, founder of Roadmap and now SVP of

solutions strategy at Emburse following its acquisition of the app in March 2021, said many startups exist to “get rid of the complexities” embedded in long-established processes or, in Roadmap’s case, to “get compliance through your program by making the user experience convenient to the end user.”

TMCs, he said, can deploy new technology and automation to ease the burden on staff but also must push the envelope to ensure their survival as well-funded, tech-first competitors penetrate the market. Matt Zito, managing partner of incubator TSI, agreed, adding that too many TMCs fall into the trap of believing “if it ain’t broke, don’t fix it. They just keep doing the same thing over and over, but eventually you’re going to get run over by new, innovative TMCs.”

While much hype has surrounded generative AI in 2023—think ChatGPT, Bard and Bing—Zito said that artificial intelligence for many years has been harnessed to power chatbots in travel. More recently, corporates such as EY have experimented with blockchain-based booking systems, while payments, profiles and personalization are three areas in which technology and processes are accelerating.

“Some of the core components of our experience as corporate travelers are the most ripe for innovation,” said Sharma, about those areas. “Right now, I’m seeing a lot more fringe pieces: the data, the reporting, the sustainability, the duty of care ... all really important components. But those are the ornaments on a Christmas tree.”

If the tree itself isn’t of sufficient quality, she said, then the decorations are going to fall down. “You want to be able to

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BTN 2023 INNOVATE FACEOFF
The BTN Group in October staged its 10th annual Innovate conference in New York, dedicated to explore innovative solutions to the industry’s biggest challenges.

The Business Travel Innovation Faceoff featured 13 presentations of cutting-edge products, technologies and services developed by suppliers to address industry challenges and support managed business travel and/or business travelers.

Visit btinnovate.com to watch all of this year’s presentations from AmTrav, ATG, Bizly, BTP Automation, Cerebri AI, HQ, HRS, Hubli, Navan, Snowfall, The Miles Consultancy, Tripbam and TripKicks.

Coverage of previous years’ Faceoffs also is available.

Charity Rumery on HQ's 2023 Innovate Win for Ground Transportation Mgmt.

Ground transportation platform provider HQ in October was selected by judges as the Innovator of the Year among 13 contestant companies at The BTN Group's 10th annual Innovate Conference in New York. HQ offers a global platform with connectivity to local ground transportation suppliers with a layer that integrates corporate preferred suppliers. At Innovate, the company demonstrated its new turnkey model, in which users can tap into HQ's preferred vendors and rates, without technological integration but also without the travel policy layer. Innovate lead judge Norm Rose, also president of Travel Tech Consulting, noting the spiralling costs of ridesharing and chauffeured transport and the need for heightened management, called HQ's offering "true travel management, bringing everything together in one place," in awarding the company the top prize.

BTN managing editor Chris Davis a few weeks after Innovate spoke with HQ chief revenue officer Charity Rumery about the company's new turnkey option, its approach to the market and its future plans. Edited excerpts follow.

WHAT'S YOUR SENSE OF THE CURRENT STATE OF THE CORPORATE TRAVEL MARKET AND HQ'S PLACE IN IT?

Charity Rumery: There's still a little bit of throttling on travel, and it could be a permanent change because we have adapted to a hybrid model. While it's come back significantly, let's say 75 percent to 80 percent, maybe that is the new state of normal. That's why I think it's so important that we are the best at what we do, so that we can focus very tightly on that.

YOUR PRESENTATION AT INNOVATE INCLUDED A DISCUSSION OF HQ'S NEW PLUG-AND-PLAY OPTION. CAN YOU DETAIL HOW IT DIFFERS FROM THE HQ ENTERPRISE OPTION?

The difference is in the deployment options. When you think about what we're known for, we do everything from booking to the billing and payment. The turnkey deployment option actually allows you to log in and begin to book transportation and to take rides. That means, by its nature, the set of selections that



HQ's Charity Rumery talks:

- HQ's new turnkey model
- The company's supplier-vetting process
- Corporate clients' policy preferences

are there for you was defined by us. You're leveraging our HQ Connect network. You're paying upfront for the transaction, and then all of the information will be communicated to you. You'll get your receipt, you'll get your confirmation, you'll know when your driver is dispatched. But it by nature has a very defined deployment methodology.

AND THERE'S NO PARTICULAR INTEGRATION THAT YOU NEED WITH ANY SYSTEM WITHIN THE CORPORATION.

Exactly. In fact, that's exactly what we're trying to alleviate, because once you hit the word "integration," you start to introduce a series of infosec reviews. What I actually see transpiring is that people, maybe based on their size of business, will choose to always use the turnkey option and never go deeper. But I think it gives large enterprises an entryway, in that they can start and then in parallel can do the infosec process and begin the integration work.

HOW DOES THE INTEGRATION PROCESS WORK WITH THE ENTER-

THIS ISSUE'S BUYERS



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EAB SVP of business solutions
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PRIZE SOLUTION? I KNOW IT'S POSSIBLE TO LINK WITH SAP CONCUR EXPENSE.

There are several integrations that can really make an enterprise solution for our customers. One is an employee feed, and once you start to get employee information you have to pass infosec, but it's a really great integration because all the employee information is there for you. On the back end, there are different expense integrations, and you mentioned SAP Concur is a partner of ours. But we can integrate with whatever expense system you have, as well as duty-of-care systems like International SOS.

THERE ARE NO PARTICULAR INTEGRATIONS WITH TRAVEL MANAGEMENT COMPANIES NOW, CORRECT?

The way that we're doing it now is that we're allowing [TMCs] to book through our interface. But we are strategically deciding who will partner with us in that integration area. More will come there, for sure.

LET'S TALK ABOUT THE NETWORK OF SUPPLIERS HQ HAS DEVELOPED THROUGHOUT THE WORLD. THERE ARE SO MANY GROUND SUPPLIERS; HOW DO YOU GO ABOUT VETTING AND CHOOSING WHO WILL BE PART OF THE NETWORK?

Given how many there are and the thousands of rides that we've processed, we basically come to know them through our customers. When we work with large customers, they will say to us, look, we have a partner that we would love you to meet, and we begin working with them. As we build a relationship, if we see that they are very high-quality—they deliver on their service, they keep and maintain the right insurance levels, they make sure their vehicle fleet is well cared for, their drivers are nicely dressed and treat customers well—that's when we say to them that we have a broader network that potentially we could partner on. A lot of our customers are Fortune 500 companies. We've found that they're not working with poor suppliers; they're working with good suppliers.

ONCE YOU'VE IDENTIFIED A NEW SUPPLIER, HOW DOES THE VETTING PROCESS WORK?

We quarterly conduct a vetting for each vendor to make sure they are staying in compliance. We aren't trying to build the

"We aren't trying to build the biggest network. We're trying to build a solid network with vetted suppliers in the right areas where you need them."

biggest network. We're trying to build a solid network with vetted suppliers in the right areas where you need them. It's been key that we can offer you a few options in the city that you travel to that are quality and vetted.

WHAT SORT OF TECHNOLOGY CONNECTIONS DO YOU HAVE WITH THOSE SUPPLIERS?

It's all live API integration. For some small mom-and-pops, it's probably harder if they don't have a technology capability, but we have some partners in the industry now that have platforms for small providers, and we can point them in the right direction so that they can also get on the API-based integration.

HQ CHARGES BUYERS A TRANSACTION FEE, BUT DO SUPPLIERS PAY ANY COMMISSION FOR BEING PART OF YOUR NETWORK?

No, we do not charge suppliers, and that's one thing that's different about us. It's a very transparent model. You're paying the transaction fee to us, while the supplier is simply signing up and getting the API integration to process the rides. I think that's a key piece of why we've partnered so closely with suppliers, because we're not charging them.

HQ CAN LAYER POLICY PREFERENCES IN THE ENTERPRISE SOLUTION. GENERALLY, WHAT POLICY RESTRICTIONS DO CLIENTS LOOK TO IMPLEMENT?

Generally, they want to vary the options by the job title or the level in the organization. A managing partner may have a very different type of ride from the airport than a business analyst. They also like to vary it by geography. For example, in South America, it could be policy that you have a secured ride, whereas in North America it would not be.

WHAT CAN WE EXPECT TO SEE FROM HQ NEXT?

I definitely want to make a splash with a few strategic partnerships. That's something that I would love to see us come to market with, where we are able to extend our services in a meaningful way, leveraging the right partners. And there are some key system improvements I would like to see us continue to do. So you'll see some additional enhancements from us on the product side next year, but also some additional integrations in the area of strategic partnerships. ■

12TH ANNUAL BUSINESS TRAVEL HALL of FAME

DECEMBER 6, 2023

THE PLAZA HOTEL, NYC

Join over 400 travel industry executives at the 12th 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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CONTINUED FROM PAGE 5

Innovation: The State of Play

have a full tree and be able to leverage everything, but you have to have a strong core to do that.”

Johnny Thorsen, VP of partnerships at Spotnana, said innovation on those underpinning technologies is in a positive state. “There’s a lot of startups doing great stuff in the booking process, but we are also seeing the first signs of next-gen independent profile systems appearing, we are seeing suppliers creating new ways of delivering deals to buyers, and TMCs are adopting the new tech. We are seeing a lot of momentum.”

GETTING STARTED

There are two types of startup founders, said Tripkicks CEO Jeff Berk: those who come from the business travel industry and have “lived a problem first-hand” but don’t have experience founding and growing a company and raising money. Then there are those who don’t know the travel industry but have been successful elsewhere and have the business acumen and might even come with some capital sources. “They both come with their own set of challenges and learnings,” he said.

Van Velzen said startups need to “nail their niche” and to find a small group of vocal buyers who “see what you see” in terms of the potential of the tool or tech and “can be your amplifiers.”

The size of the industry and entrenchment of incumbents, however, pose serious challenges even for those who are laser-focused on their vision, he said, not to mention the fact that travel buyers typically don’t have the budget to invest in innovation. “You need to get the non-travel people around the table to understand the value of your product,” he said.

It’s far from uncommon for a startup to pivot from the B-to-C to B-to-B market. Former Innovate winners Grapevine, Troop, Roadmap and Tripbam all started life as consumer-facing technology before refocusing on the corporate travel community.

“The B-to-C side is very hard. If you want to get relevant you have to pay so much to get to the top of the screen—it’s the ‘Google tax,’” said Steve Reynolds, founder and CEO of Tripbam, which was acquired by Emburse in July this year. “We dabbled in the consumer market, but as soon as the corporate market woke up, we pivoted.”

For Grapevine, it was the high-frequency nature of corporate travel, the often-repetitive trips and the “very rich data” which offered a better environment for innovation on the corporate side, said Jack Dow, the company’s founder and CEO.

THE BIGGEST HURDLES

Raising capital is one of the biggest hurdles a startup will face, and their future is potentially doomed if they can’t find an investor who shares their vision and sees its potential.

“Sometimes the market’s just not big enough for what you’re trying to sell, but if you have a really good idea and it’s a big

“It will be hard to be a corporate travel manager if you don’t embrace innovation. You’re going to be under immense pressure from travelers asking, ‘Why are we using this old, outdated way of doing things?’”

— SPOTNANA’S
JOHNNY THORSEN

market then funding is going to happen,” said Zito. Even so, he noted many startups fail. “Even when you raise money, the odds are still against you. That’s the reality.”

Moreover, while funding in past years “was relatively forthcoming, that could be changing in the current economic environment of high interest rates,” warned Cara Whitehill, founder of Unlock Advisors.

Thorsen, who co-founded Con-Tgo, which was later acquired by Concur, and who worked at Mezi when it was acquired by American Express, said: “It really is tough if you want to play in the corporate travel vertical. It is expensive and it takes time.

“You can focus on the [small and midsize business] segment, but that’s hard to grow quickly because each customer is small and delivers very little revenue. Either you have to have enough in the bank to keep growing that segment over a long time, or you have to have enough to sustain winning the big customers and eventually get revenue flowing. Both options are hard, so having enough funding is critical.”

At Roadmap, van Velzen was in the fortunate position of having the funds to sustain a new venture after selling a prior business. Instead, his biggest challenge was convincing the market it needed a traveler-centric app experience.

“At the time, everything was focused on the process, the buyer, the distribution, the supplier. The traveler was at the end [of the list]. User experience didn’t even matter. That was the hard part for us, trying to explain without the economic proof that if you actually take care of your employees, that’s of more value to the business than maintaining a process that only benefits the existing value chain.”

Whitehill agreed that getting that first customer is often the biggest challenge of all, especially for those selling into enterprise clients, where finding the right sponsor can be

Navan

Let’s face it: In the world of corporate travel and expense (T&E), the only reliable constant is change. Whether driven by macroeconomic considerations or revolutionary new technology, companies’ needs keep shifting — and businesses need to know their T&E solution has their back.

Inspiring that confidence requires anticipating change and remaining one step ahead. It means preparing for an unknown tomorrow while helping customers keep moving forward today.

Not all T&E solutions are cut out for the task. But it’s what Navan excels at. Here’s how.

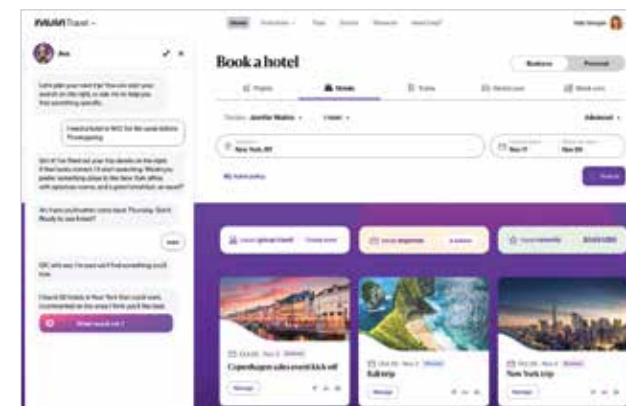
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Navan has always been obsessed with the new. For us, it’s an opportunity to make life even better for our customers. Recent innovations include:

- **Generative AI integration.** While AI has always been part of our platform, Navan quickly leveraged 2023’s developments to create Ava, our automated virtual assistant.

- For travel managers, Ava acts as a data analyst, helping to unearth patterns in traveler behavior and money-saving strategies — in seconds.
- For travelers, Ava is a never-before-seen hotel concierge that revolutionizes the search experience and makes true personalization a reality.

- **Navan Connect.** This innovative card-link technology enables finance leaders to directly access the benefits of Navan Expense automated expense management with enrolled corporate cards. It’s yet another example of how Navan leads the market through innovation.



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- **NDC content.** For customers, the financial benefits of NDC accessibility can add up quickly. That’s why Navan has striven tirelessly to be a leader in this space, offering access to NDC content from 13 airlines.

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crucial. “Procurement teams and big companies are much slower to move and they have a lot more hurdles to navigate,” Whitehill said. “Startups that are selling into the midmarket tend to have a better pathway to get those early customers, to collaborate with them, and then cycle the feedback from trials into the product roadmap more quickly.”

BUYER HESITANCY

Some buyers BTN spoke with were forthcoming about the challenges they face when considering working with startups. Cost and time constraints were chief among them, while fear of the untried and untested and of false promises featured prominently. Others cited the reputational risk of things going wrong, a lack of demonstrable ROI, security concerns and convoluted integration processes.

“Corporates are also often afraid of the company’s financial stability, but it works both ways,” said Sharma. “Startups need customers not to have to worry about that. But then corporates don’t always realize how agile startups are. It’s pretty incredible. These are really smart people doing really smart things and, given the opportunity to work with someone who’s a little open-minded and willing to take a little bit of a chance, you can make a lot of magic happen.”

Organizations that don’t open their eyes to evolving technologies risk being left behind, said Thorsen. “Buyers need to ask themselves whether, with the program they have in place right

WATCH IT: THREE TECHNOLOGIES DRIVING MANAGED TRAVEL INNOVATION

AI, ML and Generative AI: While artificial intelligence is a broad term for systems and tools that can perform tasks that would normally require human intelligence—a chatbot, for example—machine learning is a subset of AI that focuses on the development of algorithms and models that enable performance improvement. They are closely related but distinct concepts. Generative AI, meanwhile, is used to produce original text, visual or other content—ChatGPT and Google Bard are among the best-known such platforms.

Blockchain: Blockchain is a decentralized digital ledger that records transactions across a network of computers. Each transaction, or ‘block’, is linked to the previous one, forming a secure and transparent chain. The technology ensures data integrity and prevents tampering, making it ideal for applications like cryptocurrencies and secure data sharing. In the travel industry, use cases include inventory management, automated smart contracts for booking and payment, identity verification and loyalty programs.

New Distribution Capability: Established by the International Air Transport Association more than a decade ago, NDC is a technology standard designed to enable airlines to better showcase, differentiate and sell their products and services, and to control the cost and distribution of their content. In the last year its adoption has accelerated, resulting in the removal of some airline content from global distribution systems’ traditional EDI-FACT-powered channels and challenging the status quo of current tools, platforms and processes.

“We have the ability to innovate, there’s an interest and an appetite for it, and there’s funding for new ideas.”

—ACQUIS CONSULTING’S HANSINI SHARMA

now, they are in the best possible space,” he said. “A lot of buyers are realizing that it’s hard to defend the continuous use of the ‘Concur plus TMC’ model, at least without looking around.”

One key benefit for early adopters, said Thorsen, is having the close attention of founders. “Those very early customers actually have an oversized influence” to have customizations that work for them, he said. For the startup company itself, however, that could be a risk. “[They] are actually at risk of going down a rabbit hole and building something that ends up being only for that one customer,” he added.

Stuart Bartholomew, T&E sourcing manager at manufacturing conglomerate ITW, is no stranger to working with startups, which he appreciates for being “free of the bureaucracy of larger, more established organizations” and for their agility. “Once a startup has a few customers, that’s reassuring for us as buyers,” he said.

After identifying a potential technology provider, Bartholomew first engages his company’s IT department to ensure they’re comfortable with the solution. At the same time, finance will be looking for the ROI in order to sign off the budget, and then a select band of end users will be involved from the early stages.

“Too much of the time in any industry people aren’t willing to stand up and take a risk, but with those stakeholders involved it’s not just one person’s decision, and the risk is shared if things go wrong,” said Bartholomew.

BOUGHT OUT

The prospect of acquisition can also put some travel buyers off working with startups, for founders typically have one of two motivations, said Whitehill. The first is to be their own boss, run their own company and watch it grow. “They may just build their own business and kind of bootstrap and run it and be very

successful at that,” she said. “Then you have the founders that are looking at it as a path to grow the business to a point where they could have a lucrative exit by either going public or selling it to another company.”

Thorsen said Spotnana has been asked by potential clients whether its goal is to sell quickly but, he said, “given the funding we have raised it’s very clear that there is no plan of selling quickly.” Nevertheless, he understands the concern.

“A lot of buyers have been burned over the years by gambling on a startup, investing the time, energy and money, only to see it being acquired by somebody they don’t want to work with.”

The pandemic saw a wave of startups being acquired. Credit card provider Capital One bought the flight disruption management technology of Freebird in 2020 and then Lola’s travel and payments software and team in 2021, Emburse bought Roadmap and DVI, Pana was acquired by expense specialist Coupa, and Snowfall came to the rescue of booking tool Psngr1.

TMCs were at it too, with Flight Centre buying booking platform WhereTo and American Express Global Business Travel acquiring conversational booking interface 30SecondsToFly.

Few of them exist by the same name today or even in the same form, giving rise to the fear among buyers of a disruptive ‘capture and kill’ future for would-be startup partners.

What changes for those early customers when a startup is

sold? “They have to adjust to the fact they might not get the founders’ attention anymore, although that happens when you start scaling anyway,” said van Velzen, who added that all Roadmap’s pre-acquisition customers still work with the company under its new ownership and guise as Emburse Go.

Regardless of the concerns and opportunities surrounding the adoption of startups and emerging tools and processes, buyers will face an “avalanche of innovation in the next few years year” said Thorsen.

“Tech has evolved to a point where we can build new solutions very elegantly and very smartly. It will be hard to be a corporate travel manager if you don’t embrace innovation. You’re going to be under immense pressure from travelers asking, ‘Why are we using this old, outdated way of doing things?’ ” ■

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THE NEXT THING: CHATGPT AND GENERATIVE AI

How a new generation of tech will rewrite the rules of travel management innovation, and what buyers can do to prepare.

BY ELIZABETH WEST

Since its launch just 12 months ago, large language model-based artificial intelligence interface ChatGPT brought generative artificial intelligence technology—and its varied possibilities—to mainstream markets worldwide. To some, this innovation sounded alarms of mass layoffs and technological takeover; to others, it signaled the promise of faster and more human-centered innovations, the likes of which the business travel industry and the wider world had never seen.

In a presentation at the BTN Group’s Innovate conference in early October, Navan co-founder and CTO Ilan Twigg told the audience he had become so obsessed with the possibilities of generative AI in the months following the ChatGPT release that his therapist had “fired him” as patient. Twigg has replaced his therapist, but his fascination with generative AI continues. He referenced it as “powerful” at points and even “magical.”

Not everyone at the Innovate conference was as enamored as Twigg with generative AI’s current capabilities, but many agreed that its possibilities—and the increasing speed at which they would be realized—would change the managed travel industry forever.

WHAT’S “GENERATIVE,” ANYWAY?

Getting to an era of generative AI hasn’t been a short journey—and plenty of experts say we’re just at the beginning, including McIndoe Risk Management founder and CEO Bruce McIndoe, whose background includes a master’s degree in computer science from Johns Hopkins University as well as work on the fundamentals of AI with a number of government agencies prior to entering the risk management world.

In its simplest form, McIndoe said, ChatGPT and its AI foundations are “just math,” performed by systems that tokenize words (in English and other Western languages) or characters (in languages like Chinese), which machines can recognize, associate with commonly corresponding words and information and, when prompted to engage on a topic, will communicate back with humanized linguistic patterns. While it sounds simple, the scale at which machines can perform this work makes it seem “magical,” to use Twigg’s word, but it doesn’t work without humans. At least not yet, said McIndoe.

Humans train machines to weigh associations, bake in variables and return information in what seems like spontaneous combinations. In its current form, McIndoe said, ChatGPT is still reliant on human prompts, searching a vast universe of tokenized words on a network and returning responses based on the number and weight of associated vectors. Without continuous prompts, however, he said the technology as it functions today would “collapse on itself,” pulling information that it generated and reformulating it over and over.

“We’re literally just stepping off very simple machine learning using neural networks,” he said, referring to those technologies that give weight to strong and weak information associations.

Even so, industries have seen generative AI use the foundation of those inputs with multiple machine learning algorithms and a layer of creative synthesis to analyze texts, write novels, produce digital images, compose music and code more spontaneous action into video games.

There are serious concerns within systems, however, with issues of factuality, bias, quality, plagiarism and intellectual property. ChatGPT, Bard and OpenAI produce much of its content “in the style of” and clearly based on the inputs of human artists and content owned by companies or individual creators. Questions of intellectual property, privacy and data ownership in the face of generative AI are real for every industry. Yet, so are the possibilities.

EXPERTS ENVISION THE AI FUTURE

McIndoe, joined by Unlock Advisors founder Cara Whitehill, American Express Global Business Travel EVP of product and strategy Evan Konwiser, Cornerstone Systems CEO and co-founder Mat Orrego and Grapevine founder and CEO Jack Dow, analyzed some of the go-forward propositions for AI and managed travel during

the Innovate session. Travel Tech Consulting principal Norm Rose moderated. Edited highlights of that discussion follow.

Advanced Search Tool – “A lot of knowledge in this industry is kind of buried in processes,” said Orrego. “And I think it’s in its early stages of evolution.” Orrego envisions a time when systems can identify that knowledge embedded within processes, curate the need-to-know information and then present that to an agent or account manager in a way “where you can interact with it and use it in a way that is helpful and speaks to the way people understand each other,” and not just in the way systems understand one another. “Because we lost a lot of industry knowledge during the pandemic,” as agents and other workers left the industry, and, he said, he sees tools like these as a new way to educate a new generation of workers. But, he emphasized, they won’t be able to do that without training. “Its magic is really our ability [to program] a tool to achieve what we want it to ... and it has to be done in a way that is customized to the situation.”

Data and Analysis – “One thing that AI tools could be really helpful with is aggregating a lot of data from disparate sources,” said Whitehill. “You have stuff that goes into Tableau like credit card data, booking tool data, travel management company data. And you think about custom fields like travel-

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er feedback and stuff that’s both on- and off-platform—your whole leakage problem. It’s complicated to analyze all those things. The opportunity to take AI-based tools or layers onto the Tableau platform versus spending a lot of that time trying to deduplicate, correlate and understand the data. That’s the kind of thing AI is really good at doing really quickly.”

Personalization vs. Contextualization – “We’re building hypotheses around what impact AI can make in terms of improving personalization and increasing conversion rates [for hotel attachment] or increasing customer satisfaction. There may be one bit of data that just isn’t there that’s relevant to that traveler,” said Dow. That piece of data is something that AI needs to infer and bring to the table, said Konwiser.

“I think it’s a lot more about contextualization than personalization,” Konwiser said. “What I mean by that is understanding that you’re coming to Europe to come to this event is actually more important than who the person is. Or, when someone is trying to get a service, the idea that the flight was just canceled and the weather is bad is important to you. Context has to be in real time, updated on the fly, what’s going on with the person right now. It’s not going to live on the profile. Context is more powerful, and I’d like to see us spend more time on it as an industry.”

Added McIndoe, “We shouldn’t be looking to B-to-C innovation to bring amazing personalization and AI to what we need. There’s some real separation that we need to address in the context of [business travelers] accomplishing a task.”

The Future Booking Interface – Spoken language and chat interfaces are “at a key stage right now,” said Orrego. “Personally, it’s not my preferred way of interacting from UI perspective, from an experience perspective. It’s not so natural right now that it knows, for example, things that are occurring within the environment. That’s just a personal perspective.”

“But you know who does prefer it? Everybody under the age of 25,” said Whitehill. “Because they’ve grown up using Siri and a lot of stuff and they’re used to voice engagement. ... Right now, voice chat isn’t that good. But it’s going to get better quickly. And this is where the whole concept of large language models is going to have to come into play—understanding needs in real time, being able to translate that context and curating content in a way that’s relevant.”

Accountability – As these AI-based engines roll out, trust will be a major component, and it will have to be multifaceted. The end user traveler will need to trust the systems, but so will the company in terms of the content they serve and the recommendations they issue. “You’ve got to wonder who’s training that thing,” said Konwiser. “Is my travel manager telling me that? I’m sure he wants me to do that, but I don’t know if that’s what I want to do.”

But even bigger issues for organizations to consider are bias and accountability. Will TMC-based or other third-party tools bias content to hotels, for example, where they earn commissions? What algorithms are really in play? Sometimes those are hard to decipher outside the box of AI. And

“Who’s accountable when the AI engine is giving answers that are wrong? That raises the stakes for how engineers are coding things that have real-life implications.”

— AMEX GBT’S EVAN KONWISER

what about in travel risk situations, where a non-preferred airline could be recommended? “Who’s accountable when the AI engine is giving answers that are wrong?” asked Konwiser. “That raises the stakes for how engineers in a room somewhere are coding things that have real-life implications. In an enterprise environment, you’ll have to be really on top of that.”

WHAT BUYERS SHOULD DO NOW

Travel buyers looking to bring large language model innovation to their programs need first to remember that LLM works by constantly consuming data to create and refresh the neural network associations that drive the fundamentals.

“If it’s free, you know the product is you, right? So if you’re out there using these free services, you are the product,” said Konwiser. That may be fine on an individual level for buyers who want to play around with query composition and how that affects AI responses. When it comes to company data, however, travel buyers using OpenAI or other no-cost systems could fall afoul of company policies.

But that shouldn’t make buyers hesitant to learn and experiment. Both startups and legacy players are creating compliant frameworks for corporates to use. Just be sure to understand where the data is going and how they are going to train the systems, “because once you give something, say goodbye. It’s gone,” said Konwiser.

Whitehill agreed with the critical nature of compliancy and governance in the face of large language models and AI, but she also saw the industry taking it in stride. “Vendors are developing with their own versions of those [large language] models that are trained on your proprietary data. That’s a good version. So don’t be spooked that it’s all bad and scary or too risky to put out there. There are private applications that can be used, but always validate the frameworks.” ■

- Angelique Platas contributed to this report.



DAWN OF THE TRAVEL CHATBOT

BY LAUREN ARENA

In the increasingly complex world of post-pandemic business travel, some travel buyers are looking to chatbots to simply processes and communicate directly with travelers.

Chatbot technology uses natural language processing, which relies on AI-powered models to accurately understand and respond. While big business for some time has embraced this tech, it has just started to make its way into managed travel programs.

“Post-Covid, there was a shortage of expertise and lots of questions about the rules, policy, expense allowance, duty of care, a whole plethora of things as business travelers re-familiarized themselves with all the necessary information to make a return to travel,” said Adam Kerr, CEO and founder of business travel booking and planning platform Tripism, which plans to launch an intuitive chat functionality in 2024.

“The chatbot was seen as a solution for some of the more straightforward questions, freeing up resources and agency time, and therefore cost,” he said, adding that some enterprise clients have built chatbots within their own organizations.

While some corporates have developed their own closed-loop systems, others are working with tech startups or piloting new integrations to explore different use cases.

Toyota North America is looking to expand the use of an existing chatbot, currently deployed to offer internal IT support, to help improve efficiencies around traveler communication, said travel services manager Rebecca Jeffries.

“Right now, we’re in the process of filling out a very long FAQ document to feed into [the chatbot], and we hope to go live by December or January,” she said.

The auto manufacturer’s virtual agent, a system known as Agent Ask, is integrated with Microsoft Sharepoint and accessible via Teams. Once deployed as part of the travel program, Jeffries hopes the bot will automate responses to many of the policy-related inquiries posted in her Ask Travel Services channel on Teams, which she said currently has 11,000 U.S. subscribers.

“We’ve noticed in the last year that the number of questions has dramatically increased, and it takes up a lot of our time,” she said. “We’re hoping to get out of

the minutiae of answering the same questions over and over and redirect people to the resources that are already available, because they can answer their own questions.”

Jeffries envisions the chatbot will send personalized Teams notifications and follow-up emails to remind travelers to renew passports or soon-to-expire credit cards. She also hopes the tool will learn how to decipher between the types of inquiries and route customer service-related questions to her travel management company, which “will all be part of the AI learning,” she said.

EY’S CHATBOT LAUNCH

Consulting giant EY noticed a similar uptick in traveler inquiries following the Covid-19 outbreak and developed a chatbot solution to streamline processes for its travel teams and call center staff.

“We transformed a static FAQ document into a user-friendly chatbot,” explained Patricia Bircak, Latin America South travel, meetings and events manager at EY, who built the team’s first chatbot pilot using Microsoft Power Virtual Agents.

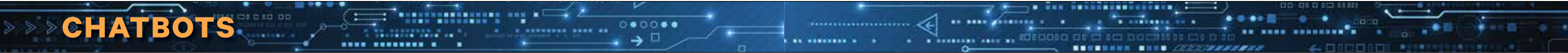
Following an initial launch in Brazil, the chatbot has since been deployed in multiple languages across several regions, including Oceania, Asia, Italy and the U.S., with content that has been personalized according to local needs.

“We developed a guideline master document, and regional travel managers began their own FAQ documents to add to [their local] chatbot,” she said.

Earlier this year, the company also partnered with an AI startup to automate responses to email-based travel inquiries.

“If the self-service chatbot can’t answer a question, [the AI] will then send the inquiry to a mailbox that’s monitored by our own Travel Service Center,” said Wendy Meier, Americas innovation manager for travel, meetings and events at EY.

Meier said the offshore service team also utilizes the bot’s natural language processing and emotion detection to help generate appropriate responses to inquiries. “Previously, we had some struggles with ambiguous questions



CHATBOTS

and, at times, inconsistent responses, causing our service center to go back to the onshore team and ask” for clarifications, Meier said.

“Through our third-party supplier, they’re now able to copy and paste the question right into the tool, which then detects the tone of the question to suggest an appropriate response. The team can then agree or disagree [with the automated response] and the bot learns as it goes.”

Inquiries are most often linked to policy, but Meier said the bot can address “anything to do with travel, meetings and events,” including making hotel recommendations. She added that many travelers “aren’t even aware” a bot is responding to their email inquiries. “It’s just helping our travel service center be more efficient,” she said.

ADOBE PUSHES COMPLIANCE

Software company Adobe also is exploring use cases for AI-powered messaging across its travel program, largely to drive expense and policy compliance.

“Our expense team have been using [the technology] for about a year,” said Kathy Burdge, global travel and expense compliance manager at Adobe. “This has been quite successful, because we’re able to collect reasons for noncompliance, therefore giving us the intelligence to review policy.”

For example, Burdge said the tool has helped to provide trends around meal expenses and high-cost cities. “Rather than collecting anecdotal data, we were able to automate [this data collection] through the AI chatbot, and we started to see some trends around particular cities,” she said. “We were able to then make some intelligent decisions to adjust our high-cost city list without all of the manual efforts that we’ve historically had to do in that space.”

The proprietary bot, which was built internally as a closed system, currently receives data via a SFTP—secure file transfer protocol—feed from the company’s expense tool, Concur, and then automates targeted messages via email.

The AI “goes beyond some of the messaging that we have in the expense process, where people just click through, to now become a follow-up,” Burdge said, adding that the bot’s friendly tone has increased engagement.

Burdge also hopes to expand the tool’s reach in 2024 to feed in data from Navan, Adobe’s TMC, in order to identify and target travelers who might be repeatedly violating policy.

“The way we envision it working with Navan, we’re pulling all the data in through API, [and] because we have the data in our own data lake, we’re able to parse it in and use that data in our own messaging and system,” she explained.

“[It will] help us identify where the real problems are, where there may be potential fraud versus education opportunities, or perhaps policy considerations that we need to take into account,” she added.

INTEGRATION FUELS INNOVATION

The travel team at Microsoft in September launched a live integration between Amadeus’ Cytric booking and expense

platform and the Microsoft 365 suite of tools for its U.S.-based travelers.

The integration allows travelers to search and book trips within Microsoft Teams and also share trip information with colleagues via the app, giving them the option to book the same trip.

“We’re using Teams both to chat with an agent, but also to go in and make a booking using Cytric Easy,” said Microsoft global travel director Eric Bailey. The goal, he explained, is to make the travel booking experience as efficient as possible, “not to go out to separate tools or break up the flow of your day.”

With the integration still in its early stages, Bailey acknowledged the learning curve in transitioning travelers from email inquiries and bookings to instant messaging.

“We are seeing some usage, but people are creatures of habit,” he said. “We’re really hoping that as we add more functionality down the road it will become more of the standard.”

Additional functionality could include an AI-enabled digital assistant that will make travel recommendations and on-trip itinerary suggestions.

“We want to make sure that we’re respecting the privacy of people, but also making it easy to share [travel data] with those people you want to share with,” Bailey said, adding that bridging the gap between privacy and personalization “is a challenge” in managed travel.

“We need to do a better job of understanding the profile of people,” he said. “What’s missing today is that AI can’t actually predict [your travel preferences], even though none of it is random. ... The tech capability is there, but understanding how to capture that information is not there yet.”

Some tech startups are looking to address the issue of travel industry data fragmentation.

One blockchain-based solution, Travlr ID is building a network where entities – including booking tools, global distribution systems and other suppliers – that want to interact with a traveler profile can do so with the

traveler’s or company’s permission, explained founder and creator Gee Mann.

“It’s a service for the traveler; not running in a central system somewhere,” he said. “Your data goes with you [across your corporate career] in your mobile wallet. In the future, this will also include an AI assistant that will be able to make personalized recommendations.”

Mann added that Travlr ID has been developed based on “live use cases” and from learnings in his adjacent business, Curious, which provides “question-and-answer as a service” and uses generative AI to detect the sentiment behind inquiries.

“It’s more than just an FAQ bot,” Mann explained. “The AI is not just automating responses to streamline processes, but taking a proactive approach to analyze why people are asking questions... and this is where we can create a data-driven approach to travel and improve processes.”

Mann said Curious is working with enterprise clients to build bespoke workflows for travel programs, where systems are engineered to preserve privacy.

“You’ve got to be careful of what you feed [the bot] unless you’re hosting your own model,” he added. “You really have to do solutionizing around workflows... that’s where the real value is for AI in travel programs.”

While Toyota’s Jeffries is “really excited” to see how generative AI might evolve, she said she would rely on her TMC to deploy such a tool rather than build it internally.

EY, meanwhile, is developing a ChatGPT-solution which will enhance the travel experience of its employees by providing “much more relevant information at their fingertips”.

“It’s designed as a one-stop shop portal for pre-, during and post-travel and will include access to chat,” Meier said. “It will target specifically what the traveler needs when they need to see it, resulting in more of a push than a pull [approach].”

Adobe’s AI bot currently assesses expense data and reads emails, but Burdge hopes further integration into the travel program will include data feeds from traveler profiles.

“Where I think AI can be really powerful for us is around scalability... especially given the labor and talent shortages that we’re experiencing throughout the industry,” she said. “I don’t think AI is going to take anyone’s job away. But I think it will help us provide an experience and service to our users.”

“It will help us identify where the real problems are, where there may be potential fraud versus education opportunities.”

—ADOBE'S KATHY BURDGE

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1) Outside County Nonrequested Copies Stated on PS Form 3541 (Include Sample copies, Requests over 3 years old, Requests induced by a Premium, Bulk Sales and Requests including Association Requests, Names obtained from Business Directories, Lists and other sources)			8,800	9,902
2) In-County Nonrequested Copies Stated on PS Form 3541 (Include Sample copies, Requests over 3 years old, Requests induced by a Premium, Bulk Sales and Requests including Association Requests, Names obtained from Business Directories, Lists and other sources)			0	0
3) Nonrequested Copies Distributed through the USPS by Other Classes of Mail (e.g., First-Class Mail, Nonrequestor Copies mailed in excess of 10% limit mailed at Standard Mail or Package Services Rates)			0	0
4) Nonrequested Copies Distributed Outside the Mail (Include Pickup Stands, Trade Shows, Showrooms and Other Sources)			1	10
e. Total Nonrequested Distribution (Sum of 15d (1), (2), (3) and (4))			8,801	9,912
f. Total Distribution (Sum of 15c and e)			20,523	20,496
g. Copies Not Distributed (see Instructions to Publishers #4 (page 3))			149	121
h. Total (Sum of 15f and g)			20,672	20,617
i. Percent Paid and/or Requested Circulation (15c divided by f times 100)			57.12%	51.84%
16. Electronic Copy Circulation			Average No. Copies each Issue During Preceding 12 Months	No. Copies of Single Issue Published Nearest to Filing Date
a. Requested and Paid Electronic Copies			22,772	21,512
b. Total Requested and Paid Print Copies (Line 15c) + Requested/Paid Electronic Copies			34,494	32,008
c. Total Requested Copy distribution (Line 15f) + Requested/Paid Electronic copies (Line 16a)			43,295	42,008
d. Percent Paid and/or Requested Circulation (Both Print & Electronic Copies) (16b divided by 16c x 100)			70.67%	76.40%
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RETAILING REVOLUTION

Suppliers are redefining content distribution.
How can managed travel keep up?

BY DONNA M. AIROLDI

The past year has seen the beginnings of a tide change toward retailing in managed travel, particularly within air distribution as American Airlines drew a line in the sand regarding New Distribution Capability. The carrier in April began removing some fares from EDIFACT pipes and making them available only through direct or NDC-enabled channels.

Meanwhile, United Airlines expanded its continuous pricing offerings, which also are available only through direct or NDC-enabled channels.

Some carriers—and a few newer travel management companies—would like to put the nail in the coffin of the traditional 26-letter fare-bucket filing system, but the hammer is farther away than they would like.

Travel buyers should be cognizant of how industry offers are made via EDIFACT pricing, continuous pricing and dynamic pricing. With EDIFACT, the TMC, global distribution system or online booking tool is the entity putting the offer together. With continuous and dynamic pricing, the airline is in control. But not all airlines can offer the latter two types of pricing, because they need the right revenue management system tools to make that happen. Another element that comes into play is information about the traveler and their company to create the best offer at the time of search, but that will vary from supplier to supplier and from program to program.

“Delivery of airline retailing is going to be through NDC,” president of Travel Tech Consulting Norm Rose said. “The message is clear. You cannot get access fully unless you are NDC-enabled.” Three ways of getting NDC content are through consolidators, through the GDS NDC channel or the

TMC becomes the aggregator, for example Spotnana, Navan or Am-Trav, he said.

And yet, “I don’t see any airline moving away from filing fares in the next few years,” Spotnana VP of partnerships Johnny Thorsen said.

Meanwhile, IHG Hotels & Resorts introduced attribute-based pricing into its reservation tool in September. Now, a guest can choose pre-paid parking, food and beverage credits, or Wi-Fi at a discount upon booking, for example, rather than paying full price if they wait until arrival. But none of the buyers BTN spoke with for this report said that has affected corporate bookings or hotel negotiations—yet.

“Attribute pricing has some similarities to NDC,” Rose said. “I’m aware of a number of different efforts to connect the hotel supply at least directly into the travel management company or some sort of corporate environment, therefore bypassing the global distribution system. ... So, the belief that the GDS is the way to access the corporate channel is what is being blown up right now.”

“Everybody is looking at distribution,” said a buyer from a technology company who asked to remain anonymous. “If NDC can be a disruptor on airlines, what can happen from a hotel or car perspective?”

BUNDLE UP, IT’S COMING ... BUT WHEN?

Personalized bundles and a more consumer-like travel retailing experience was the promise of NDC, but that’s not fully there yet because some parts of the corporate travel ecosystem are technologically not ready.

“Concur is not ready, the TMCs are not ready in a lot of ways,” ITW director of global T&E Cathy Sharpe said, who is pro-NDC but has not yet turned it on and uses TripLink to capture direct bookings. “I don’t understand things like how our travelers are going to figure out

they can’t make a change online without a lot of headaches. How are travelers going to understand they can’t do an open-jaw multi-segment trip? The benefit of having these packaged deals does not outweigh the confusion and stress that are going to be part of the changeover. When Concur comes out [with new booking capabilities] in February, I’m hoping that will be more conclusive in a lot of those areas.”

Some buyers have added basic bundles into their programs. ZS Associates travel and meetings manager Suzanne Boyan is using bundles from United through the NDC channel on Serko’s Zeno booking tool, namely for international travelers bundling bags from India but booking within the U.S., club access for principal managers, and economy plus for everyone else.

“It’s something the tools have never been able to do before, and it does get us one step closer to that leisure experience,” she said.

The tech industry buyer is looking at bundles with United, and diving into the data to see what the needs are. Many of their travelers have status, so they don’t pay for their economy plus seat upgrades or bags anyway. But Wi-Fi is big. “The bundles might vary,” the buyer said. “It won’t be for a seat and a bag, but more fare bundles that allow refundability instead of just flexibility. We’re also looking at lounge passes. If someone is going through Chicago and has a 90-minute connection, can a bundle automatically include a United Club day pass for them?”

Salesforce senior director of global travel Dorian Stonie does not yet have bundles in his program, either, but he will accelerate the promotion of them next year, after Concur pushes out its evolution. “Once that becomes available, we’ll be able to expand those capabilities and bundles and NDC,” he said.

“Our travelers will want to use our services, not because we mandate it. It will increase compliance, satisfaction and be perceived as a benefit.”

— SALESFORCE’S
DORIAN STONIE

Stonie did, however, offer an example of potential bundling for supplier shift. Loyalty programs can create problems when trying to shift share. Many travelers will not accept a middle seat with a carrier with which they don’t have status, he said. But, with bundling, it may be possible to fast-track status or a match to try that airline in a specific market. “If a sourcing manager is trying to move share, they can bundle in status upgrades or fast-track into that bundle. That would get travelers to explore new airlines or hotels,” he added.

A second anonymous buyer is looking at policy and data to understand what their travelers are expensing as airline amenities to inform the path forward with bundles. They would want Wi-Fi plus a seat in a policy bundle for anything over two hours, or a checked bag if the trip is over a certain number of days. Because the overall program is based on a direct-connect strategy and, therefore, recognizes a traveler’s loyalty status, “they should be able to personalize,” the buyer told BTN about participating airlines. “The potential is there.”

PERSONALIZATION & CONTEXTUALIZATION

When it comes to dynamic pricing combined with ancillaries, the question becomes whether people and corporations want bundles, a question that depends upon how they’re executed, Rose said. “I don’t think the current distribution environment gives enough insight into that passenger,” he added.

Suppliers don’t know the mission of the traveler, Rose said. For hotels, does a traveler want a larger room to host a meeting? Getting that info involves a lot of layers, especially in the hotel industry with various chains and franchise organizations. “You have to match the customer needs here, and it’s not a clean area,” he said.

For airlines, carriers know what a traveler did on their flights, but they don’t know what that person booked on competing carriers, nor do they know the mission of any upcoming trip, Rose added. “How are you facilitating the mission through the NDC content?” he said. “That is a disconnect now, a real challenge in gaining enough insight to have the offer resonate. There has to be a collaborative relationship between the airline and the corporation.”

That’s on the way, according to Thorsen. “In an NDC world, the airline ... can know the traveler at the corporate and individual level, so what is the next level of potential innovation? To know more about the purpose of the trip from a corporate-value perspective.”

This is where we will see a lot of innovation and creativity, Thorsen added. “With NDC in an open, flexible environment, you can potentially create a second pricing engine that takes a look at what came from the continuous or dynamic pricing engine on the airline side, but then apply a given set of rules on top,” he said. “Those rules have the power to change the price without being

approved by the yield management system of an airline. Now it’s the commercial and business relationship between the airline and the buyer if the price gets changed one more time. ... What if an airline could generate the final price based on how loyal the customer is based on real-time data? ‘So far this year you’ve booked 65 percent of all your flights with me, so you get the warm and friendly deal.’ ”

Similarly, the travel policy should “live and breathe” in the technology, Festive Road managing partner Paul Tilstone said, but travelers currently go outside to see what they are entitled to. “We should have technology in the modern retailing world that services the travelers in an easy and convenient way that gives them what they need.”

An example, Tilstone said, is if a salesperson flies to San Francisco to make a sale. It closes and gets adjusted as sold. “That’s worth a lot of money,” he said. “Why wouldn’t a company want to reward them with a paid upgrade seat? ... When you think about policy, it will become hugely dynamic, variant and easily changeable by user groups or personas. But we don’t have the technology capability at the moment.”

PLANNING NOW FOR THE FUTURE

“In a world with products and services all over the place, it comes back to more than NDC. It’s that, plus distribution strategy, direct or indirect, business or leisure, channel differentiation,” said Tilstone, adding that it’s time for travel buyers to leverage all their travel data as well as traveler profiles.

Boyan is on the leading edge of that type of strategy, deploying Traxo and ARC subsidiary Traverse to handle direct booking data.

“Utilizing the Traverse link, it takes you through the exact path as for leisure,” Boyan said. “It adds the tour (corporate) code, negotiated benefits, bump protection, seat protection if the aircraft is switched, and it will ask if you want to include internet, which is \$10 on the flight but \$8 if prepaid. If canceled, all is refunded back to the card if I do that 24 hours [before the flight]. Or if I cancel and get an unused ticket within 24 hours, Wi-Fi is refunded, but the core fare isn’t, then I can reuse it. It’s a win-win.”

Tilstone agreed that such a model is emerging that would actually focus on direct bookings. “TripLink, Traxo, they used to be secondary, but now they need to be front and center,” he said.

With Traverse and Traxo in place, Boyan continues to look at other pieces in the ZS travel tech stack. “We’re looking at OBTs and what might make sense,” she said. “We’re prioritizing direct connects with the secondary source of GDS versus the primary source being the GDS. We’re really excited about the possibilities, but we haven’t made any definitive decisions yet.”

Boyan also is looking at third-party profile technol-

“Delivery of airline retailing is going to be through NDC. The message is clear. You cannot get access fully unless you are NDC-enabled.”

— TRAVEL TECH CONSULTING’S NORM ROSE

ogy as a way to “future-proof” her program. “NDC came and shook the industry. What will be the next thing? We don’t know, but we need to be prepared. We think the profile piece can be an integral part of it. It makes us as a company as agile as possible.”

When it comes to retailing and tailoring the right experience—both for the company and the individual—a large part of the onus is going to be on suppliers to understand the customer and deliver to that, said the tech company travel buyer. They’ve got two things on their side: loyalty and, eventually, artificial intelligence.

“A business traveler right now is looking for someone to know them,” and that’s where AI can come in, said the travel buyer. “Business travelers are looking for us in corporate travel to know them and to anticipate [their needs]. I say this all the time, there is so much data, [suppliers] should know how I travel [and offer] the perfect trip.”

Salesforce’s Stonie agreed, citing AI advances in driving persona strategies and how a next-generation travel program puzzle begins to fit together.

“This is where NDC and advances in technology will incorporate intelligent supplier searches that will be able to factor in the benefits that we get through our programs,” Stonie said. “Especially for online booking tools, as they are able to integrate intelligent fare searches and factor in if a traveler is platinum, 1K or has no status. ... Loyalty is going to allow us to tailor those services to those individuals and not just by enterprise VIPs and non-VIPs. Personas will be so important, and if you can adapt your program to those personas, then our travelers will want to use our services, not because we mandate it. It will increase compliancy, satisfaction and be perceived as a benefit.” ■



CAN INNOVATION KILL THE EXPENSE REPORT?

BY MICHAEL B. BAKER

Despite innovations in automating expense reporting processes, filing expense reports remains among the major pain points across the business travel industry.

A survey of 359 frequent business travelers by financial infrastructure provider Banyan earlier this year showed that while most had good behavior with expense reporting—90 percent said they filed them within a week of returning from travel—more than half said the time it took to fill them out was the biggest burden in the process. More than 60 percent said it took 20 minutes or more just to organize the materials to file the report. The survey took it so far to find out what other unpleasant task the travelers preferred to filing expense reports. About a third said it was a worse experience than a dental appointment or renewing a driver’s license.

The process is no cakewalk for expense managers either. Joint research between the Global Business Travel Association Foundation and lodging-as-a-service provider HRS last year showed nearly one in five expense reports filed have an error, and correcting them cost an average of 18 minutes and \$52 per report. Travel-Bank cofounder and CEO Duke Chung said his company’s figures show finance departments average about 3,000 hours per year correcting expense reports.

With a popularity on par with the dentist drill, it’s no wonder that multiple fintech, expense management technology and other suppliers have adopted a “kill the expense report” mantra, as travel buyers and travelers themselves would not exactly be lining up as mourners.

“Expense reports are annoying, and they don’t provide any value to the submit-

ter,” EAB SVP of business solutions Steven Mandelbaum said. “It’s an age-old problem that if you solved, the world would beat a path to your door.”

But don’t break out the all-black wardrobe just yet.

ALREADY DEAD?

Talk of ending expense reports usually boils down to the idea that the process of requiring every purchase to be detailed on a report—whether that is grouped by month or trip, per a company’s policy—and then requiring approval by a manager prior to reimbursement is an antiquated practice.

“If I’m taking a candidate to lunch at the restaurant down the street, the whole notion of a report doesn’t make sense in this context, to have to create this shell thing to put my transaction in and then go submit it as a report,” said Michael Sindicich, EVP and general manager of Navan Expense.

That’s not to say there isn’t value in grouping certain expenses together, he said, particularly if companies want to keep tabs on costs per trip or costs around a certain event, such as an internal meeting. But if all the pieces are in place to know that expenses are within policy and whether they were associated with travel or another purpose, the step of an employee grouping those together and filing them becomes unnecessary.

To that end, Navan is saying “mission accomplished” when it comes to eliminating expense reports and, as a step further, expense management, in terms of automating the process of uploading receipts, sending a report for a “rubber stamp” manager approval and then on to finance before being pushed into an ERP for reimbursement, Sindicich said. Navan’s position as a travel management company means it should know whether someone is on a trip, which helps with reconciliation, but it also has a fintech component as a card issuer, as well as its Connect capabilities that enable companies to configure travel policy controls on their own corporate cards, Sindicich said.

The idea is that, from the employee standpoint, they simply pay for their expenses and get reimbursed without having to do anything, he said.

Emburse chief product officer Richard Crum said it's not always so straightforward. While small, simple businesses have "plenty of options" to kill the expense report, bigger companies with established processes in keeping track of finances, and perhaps a philosophy of making sure every expense is approved, might be more reticent to throw out expense management procedures.

"I'd like to meet the CFO of a bigger business who agrees with killing the expense report," Crum said. "They'd say we need employee spending capture to be more timely, and it's got to be done accurately. We have to make sure that we get the documentation for substantiation—tax and reporting implications—and make sure we can close our books."

Mandelbaum said determining the purpose of a trip is a big obstacle to an expense-report-free utopia. While it's one thing for systems to determine whether expenses are in policy or provide details about the purchase or vendor, making sure they are properly categorized—to the right department, or an internal trip versus a client-facing trip, for example—is more difficult to automate.

"There's only so much artificial intelligence can do," Mandelbaum said. "I haven't seen a tool that solved the purpose problem well."

SAP Concur, the marketshare leader for automated expense management, aims "to automate expenses as much as possible," according to VP of spend management solutions Bres Longstreth. Rather than snuffing out the expense report, the company can eliminate a "significant portion of

expensing," he said.

In total, about 80 percent of expenses are approved when first submitted and potentially could be approved without a formal report—an employee spends \$5 on a coffee while attending a known event in the SAP Concur system, for example. About 15 percent of expenses are rejected due to errors that an intelligent system could potentially correct.

"It's those last few percent of expenses that a customer's compliance team wants highlighted for further review," Longstreth said. "SAP Concur's goal is to build the smartest, easiest-to-use system for surfacing those anomalous few percent of expenses that need more scrutiny."

CLOSING THE PAYMENT GAP

Travel and expense integration, a key to reducing expense reporting pain, has been a focus for years—Concur's acquisition of Outtask, a pioneering move in integrating travel and expense from a single vendor, is only a few years away from its 20-year anniversary. But integrations on the payment side have proliferated only recently. Traditionally, corporate card programs have sat either "totally decoupled" or "very loosely integrated" with expense management platforms, but the Covid-19 pandemic in particular "really accelerated the fintech side of corporate card management," Mesh Payments CEO and cofounder Oded Zehavi said.

Mesh is one of several fintech providers to launch a travel solution in the past few years, alongside Ramp, Coupa and Brex, which launched a new travel booking service built with Spotnana earlier this year. The goal, Zehavi said, is to "close the triangle" in the real-time integration of cards to expense while increasing accuracy of travel to expense data.

"When you do it in real time, and can attach the receipt immediately, it brings new levels of data and accuracy," he said. "The alternative is to wait 48 hours, which most of the non-modern systems do, in which

time you might have potentially thrown the receipt away."

Most recently, payment and expense management provider Center, which CEO Naveen Singh has described as a "card-first" offering, also launched an integrated travel and expense offering built on Spotnana infrastructure. While, among beta customers, use of the travel tool has covered 60 to 70 percent of bookings, Center's broader vision is to apply controls and policy around bookings that occur outside of the travel tool. "It enables CFOs to create a policy that works, not just for travel booked on the integrated tool but that automates expenses irrespective of the booking source," Singh said.

It's not just the newcomers on the payment side tightening their travel connections. Citi, for example, in recent weeks announced a partnership with Navan for a jointly branded travel and expense offering. U.S. Bank, meanwhile, acquired TravelBank in 2021 and more recently announced a combined travel, payment and expense offering.

Easing the burden of expense reporting was one reason TravelBank was started in the first place, with automated approval flows and accounting tool integration. Coming together with U.S. Bank, however, provided "an amazing innovation opportunity," Chung said.

"Banks are traditionally protective of all transaction data, and having access to card data isn't something that has been available for many years," he said. "With the work we're doing with U.S. Bank, this all starts to come together."

IF YOU BUILD IT...

Stepping back, the move to a world of limited to no expense reports seems like a big step, especially considering the lag in adoption even of widely available integration opportunities. A survey of more than 300 accounting and finance professionals by Center early this year showed that about a third were still using some

"Expense reports are annoying, and they don't provide any value to the submitter. It's an age-old problem that if you solved, the world would beat a path to your door."

—EAB'S STEVEN MANDELBAUM

combination of manual processes, such as spreadsheets and paper, to manage their expenses. While significant, it did mark a "sizeable" drop from a similar survey by Center in 2021, when that percentage was at 48 percent.

Manual processes happen mostly among small and midsize travel programs, though some large companies will cling to them as well, Concur's Longstreth said, stemming from "inertia, hesitancy to mandate employee behavior, cost, accessibility, and lack of awareness of the benefits and potential savings that can come from automating travel and expense processes."

Even such "worst practices" as asking employees to use personal cards for expenses can be hard to let go of for some companies, as employees might be accustomed to racking up massive rewards for personal use from big-ticket business travel expenses.

Over time, however, the burden of expense reports will only become a bigger dissatisfier among employees. Will Pinnell, a longtime tech executive for BCD Travel and now SVP and managing director for the Americas for HRS, noted that Millennials today make up about 35 percent of the workforce, and by 2030, they will be more than half, alongside Generation Z and younger travelers who have never known a world without social media and mobile devices. As such, they will have a lot less patience for labor-heavy processes for the simple reward of being reimbursed for their expenses.

TravelBank's Chung agreed. "Imagine going home to watch Netflix tonight and everything was in black and white," he said. "When you go to your workplace, and it comes time to use the tools to do our jobs, that's what it can feel like."

The trick is changing the mindset when companies are looking to implement solutions, Emburse's Crum said. Oftentimes, they are looking for solutions that can simply help improve the processes they have in place rather than looking at a better process altogether.

"We're leaning in to help companies understand the ideal way to use this software," Crum said. "When you craft policies, set limits and implement rules and have all this set up, you don't have to feel tethered to the way you do it now." ■

FRICTION FREE LODGING EXPENSES? SOME START WITH FORM OF PAYMENT.

Lodging remains a big challenge for expense management, as hotel bills need to be itemized to separate taxes and incidentals from room rates. On that front, corporate lodging platform HRS has been building its "lodging as a service" technology to capture lodging spending across segments and includes invoice management and automated VAT reclaim, SVP and managing director for the Americas Will Pinnell said. Besides its own technology, HRS also has made acquisitions including travel invoice management provider Itelya and digitized payment technology PayPense.

Virtual card technology is a central component in an ecosystem with limited or no expense reports, as they enable companies to put controls on exactly how much and for what the card can be used. They also can be distributed to non-employees or those within a company who do not have their own corporate cards.

"Virtual cards have laid the foundation for companies to think about payment in a different way," Pinnell said. "A lot of corporate travel takes place for individuals that don't work for a company, and companies have gotten smarter about how to issue cards to travelers who are not employees."

CAN BLOCKCHAIN TAKE US BACK TO THE FUTURE WITH A DIRECT PAY OPTION?

New distribution and direct-booking models could open to further ways of reducing expense reporting via bypassing the payment side altogether. As part of PwC U.S.'s new blockchain-powered TMC, which earned its travel leaders Travel Manager of the Year honors from BTN this year, the advisory firm included a direct-connect and direct-pay configuration. Since, under the structure, airline payments aren't coming from the corporate card and rather a direct ACH wire, the company was able to remove fares as an expense item for travelers. Hotels and car rental companies could get a similar set up—and that is on PwC's roadmap—although such a set-up could never totally eliminate expense reports unless a company was able to do the impossible task of setting up a direct-connect with every single potential vendor.

New Data Dimensions

THE DATA EXCHANGE CEO SUSAN HOPLEY TALKS ABOUT HOW ARTIFICIAL INTELLIGENCE AND BLOCKCHAIN ARE CHANGING THE VALUE PROPOSITION OF BUSINESS TRAVEL DATA—FOR EVERYONE.

The Data Exchange collects, tracks and analyzes data on \$60 billion in business travel spend annually. It provides data and analysis to its subscribers, which may be financial institutions, business and marketing concerns, governments and, yes, some corporate travel buyers. The data it collects, reports on and analyzes can come directly from travel suppliers, but also from a variety of government and industry sources as well as from individual corporations that contribute data to the company's "data lake". As such, founder and CEO Susan Hopley has a bird's eye view of advancement in data security, data sharing and data interrogation and analysis. BTN editorial director Elizabeth West caught up with Hopley to talk about how key technologies like blockchain and artificial intelligence are changing the data world. In BTN's extended piece online, she talks about how those developments could fundamentally change travel management.

HOW LONG HAVE YOU BEEN WORKING WITH BLOCKCHAIN, AND HOW HAS IT CHANGED YOUR BUSINESS?

Susan Hopley: The pillars of data are really privacy, security and access. The challenge has been sharing that data while working within those parameters. [The data industry] hasn't really been able to do that. We began working with blockchain technology about two years ago, assigning digital signatures or tokens to the data sources, such that each piece of data is ostensibly de-identified from its source but also permanently appended with that signature. On the blockchain, each piece of certified, verified and de-identified data can be shared with verified subscribers to that [individual] blockchain. We know everywhere each piece of data goes. That's an exciting place to be.

THE DATA EXCHANGE OPERATES ON THE IDEA THAT IF YOU CONTRIBUTE DATA, YOU SHOULD BE COMPENSATED FOR IT. TELL ME MORE ABOUT THAT. WHAT THAT COULD



The Data Exchange CEO Susan Hopley talks...

- The pillars of working with data
- How blockchain has changed the privacy v. sharing game
- What AI is delivering to data quality

"It's easy to value the data, but you need to know your data is appropriately controlled, distributed and compensated for."

ENABLE FOR TRAVEL BUYERS?

Hopley: Data isn't a monetary commodity, but understanding its value and creating a fairer sharing of that value is important. If I want to understand my carbon footprint, for example, I probably have to pay somebody to do that. Fair enough. But I also want something for the data that I'm sharing that contributes to that calculation. It's possible you don't want to share your own data and you just want to know what's going on "out there," and that's fine. But if you contribute data to the pie, you want a piece of the revenue that comes from it. It's easy to value the data, but you need to know your data is appropriately controlled, distributed and compensated for—and it would be compensated each time it is shared and consumed, not just in one transaction.

THAT IS ALSO NOW FACILITATED BY A BLOCK-CHAIN BECAUSE THAT DIGITAL SIGNATURE ASSOCIATED WITH THE DATA CAN BE TRACKED?

Hopley: Absolutely. It's the only way to do it.

LET'S TALK ABOUT AI AND HOW IT'S CONTRIBUTING TO BETTER BUSINESS TRAVEL DATA. WHAT ARE AI-POWERED PROCESSES DOING NOW THAT THEY WEREN'T DOING A FEW YEARS AGO?

Hopley: It may be horrible to think that machines are brighter than we are, but in certain ways, they can be. Travel data is very rich data, and there's so much valuable information embedded in it. Our financial house clients correlate it to the economy, to stocks. Governments use it for development decisions. But it has to be good quality data, and that's where AI can really come into play. It obviously needs to be taught, and we have written many scripts for it. But at this point, the algorithms display this kind of hexagonal "thinking" that is able to ping out on so many different dimensions and return to us the possible data aberrations that we need to address. It does this in ways that humans really can't do because we have to look at it in a linear fashion—first, this, and then this and then this. But the machine doesn't have to do that. So the capability is kind of exploding and showing us ways to improve our industry data. ■

Find the rest of the interview at www.businesstravelnews.com/research/innovation/2023

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EUROPE
November 1

BUSINESS TRAVEL SUSTAINABILITY SUMMIT & AWARDS

AMERICAS
May 8

EUROPE
May 22

BUSINESS TRAVEL AWARDS EUROPE

LONDON
October 30

2023 VIRTUAL EVENTS

3rd ANNUAL Travel Procurement VIRTUAL WORKSHOP SERIES

March 7

March 14

March 21

March 28

April 4

April 11

GLOBAL TRAVEL RISK SUMMIT

AMERICAS
December

EUROPE
December

BTNGROUP SYMPOSIUM

Advancing Traveler Health & Wellness
December

business travel intelligence summit

EUROPE
December

AMERICAS
December

BUSINESS TRAVEL SHOW AMERICAS

April 20

BTNGROUP SYMPOSIUM

Diversity, Equity and Inclusion Series
December

BUSINESS TRAVEL SHOW EUROPE KICK OFF

February 23

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