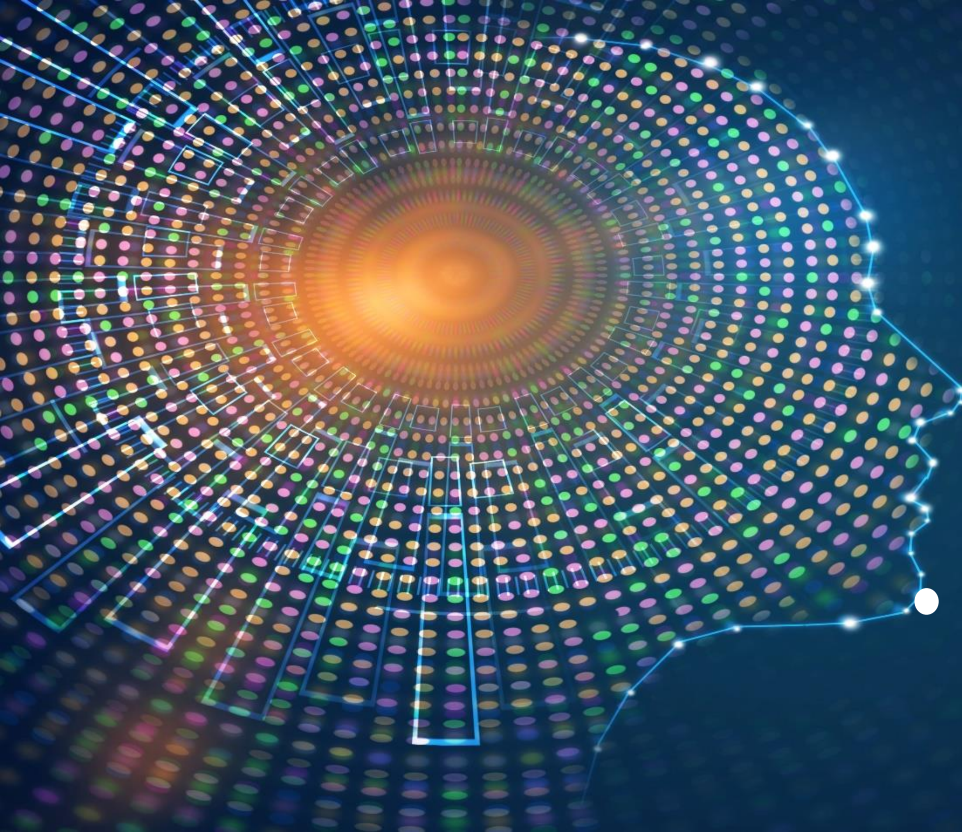

CORPORATE TRAVEL INNOVATION MANIFESTO

By Microsoft Travel &
Corporate Travel Innovation Participants

Corporate travel is a $1.3 trillion global industry leveraged by every major company on the planet to build success. The industry relies heavily on technology and processes that have not changed significantly in one, two or even three decades. This document is meant to stimulate conversation and action to push the industry forward.

Legacy technology systems, entrenched intermediaries and lack of transparency in commercial relationships have hampered innovation in the corporate travel space for more than 15 years. The consumer travel experience—in terms of the process to book and execute and pay for a trip—has outpaced the corporate experience, with easy access to rich content, streamlined tools and content tailored to the individual traveler. The inertia in the corporate space undermines the relevance of managing travel for today's business travelers. It not only prevents corporates from providing enhanced traveler services, but also holds them back from optimizing fundamental objectives: duty of care, data security, employee productivity and savings.

Microsoft Travel hosted its first Corporate Travel Innovation Summit in Lisbon last fall, joined by forward thinking companies—both corporates and suppliers, to push innovation through the corporate travel industry as an outcome of that summit, this document is submitted by the participants as an industry call to action.

It is aimed specifically at corporate travel programs whose billions of travel dollars power the corporate travel machine. We acknowledge that all travel buyers bring value to the industry and no one should be locked out of the innovation arc. From that perspective, this document aims to demonstrate to all buyers what should be possible in managed travel and to inspire them to push their suppliers—and the industry—for better solutions for travelers and increased transparency for corporate programs.

The purpose of this document is to drive industry dialogue, but it should also put suppliers, intermediaries and industry technology providers on notice that corporate travel demands are changing. Platforms, data models and commercial models must change to meet those demands.

The companies listed above are a sampling of those that attended the inaugural Business Travel Innovation Summit hosted by Microsoft

THE TRAVELER EXPERIENCE IS EVERYTHING

Mature companies no longer view travel as a cost center where the main program objective is year-over-year cost avoidance. These programs have achieved near-optimal value with suppliers and have shifted their focus to driving top line revenue and achieving more holistic value. This value ultimately boils down to the traveler experience and productivity to support the business. Attracting and retaining the best employees and keeping them productive, happy and healthy has a legitimate return on investment.

When it comes to traveler experience, two major dynamics are at play. First, traveler expectations: Corporate travelers have grown accustomed to sophisticated leisure travel tools. Not only are they exposed to rich travel content and mobile access, but suppliers have forged close relationships with travelers via loyalty program profiles and can personalize content accordingly. Business travelers know what is possible and they know they are not getting it from their corporate tools.

Second, the function of the travel program to serve as an employee recruitment and retention tool: Fast-growing companies in technology, consulting, financial services and other verticals have recognized the travel program's power as an employee benefit. However, they cannot realize the full value of that benefit without owning the traveler as a customer and truly partnering with suppliers to define and deliver the optimal experience.

That experience isn't just enhanced traveler services. It incorporates the operational excellence that leads to productivity and savings, traveler duty of care and data security. Corporates acknowledge that multiple providers are critical to provisioning services, but the structure and delivery of the program must be defined by the corporate. It cannot be predicated on the limitations of legacy system dependencies, opaque commercial relationships, backdoor financial incentives and locked up data.

YESTERDAY'S MODELS UNDERMINE TODAY'S TRAVEL REQUIREMENTS

Unfortunately, these are precisely the issues today. Global distribution systems have a stronghold on travel content through travel management company channels. While GDSs have opened application programming interfaces and are working toward achieving the International Air Transport Association's New Distribution Capability certification, they largely remain closed systems with limited content thanks to high distribution costs that fewer suppliers are willing to bear.

Even so, GDSs keep their grip on TMCs as the primary managed travel content channel despite client demand for aggregated one-source content. They do it via backdoor incentives funded by these distribution costs, particularly airline distribution charges. financial dependencies on GDS incentives leave TMCs either incapable or unwilling to explore new content and service models with clients.

In Conversation: Corporate Travel Innovation Participants

"We have a really large corporate in [Europe] that wants to [initiate a new content model] to improve content delivery to the booking agent. They went to the TMC and said they would pay [for the agents to service the bookings] because they would have to move to a different flow to touch the booking. But the TMC said no; they don't even want to be paid for it."

GDS incentives are a longstanding issue. Hotel commissions have emerged as a more recent conflict of interest at the TMC, with reports of mega TMCs leveraging their buying power to renegotiate commission rates with hotel chains after corporates finalize their agreements, thus allowing agencies to rebalance financial benefits and biasing agents towards suppliers that will maximize TMC revenue streams. They've also used third-party re-shopping tools like Tripbam to re-shop only the hotel cohorts that are commissionable to them rather than all comparable hotels in a market.

These types of conflicts leave corporates wondering exactly who is the primary client in the buyer-supplier relationship—is it the corporate or is it the TMC? Plus, they boil down to financial inefficiencies for the travel program, with the lack of transparency sowing seeds of mistrust in the corporate toward the intermediary. In reality, mature corporates acknowledge the TMC is providing real value for the program, but they demand transparency into revenue streams to understand what they are paying for; they also acknowledge need for financially stable partners and want to pay for the services and support that will drive towards corporate objectives.

In Conversation: Corporate Travel Innovation Participants

"I think you can allow legacy to hold you back or you can find solutions out there that challenge the legacy. I don't let any of it hold us back because we'll try and find a solution somewhere now. There's a reason why we've got 70 different companies on a list, and 35 that we're actively engaging with, because we don't want to be inhibited."

From the TMC, in particular, the most important services will be enhanced traveler services and duty of care during irregular operations or emergency situations, but they are unlikely to be achieved in traditional ways. Corporates want artificial intelligence-supported solutions from the agencies as well as from the online booking tools they offer, either proprietary or from third parties. These solutions promise the democratization of personalized recommendations and services that has thrived outside managed travel in both consumer travel and other retail markets.

The requirements for these solutions will overlap with changes in content distribution models and a move toward open booking workflows. Corporates will be looking to TMCs to figure out how to touch reservations not made in the channel. GDSs and TMCs will need to work with clients on alternative models or they can expect large corporates, in particular, to establish direct relationships with more innovative suppliers and new entrant companies that are capable of answering these demands.

In Conversation: Corporate Travel Innovation Participants

"Hotel commissions would go away if corporates start to book direct. We want to solve the guest experience and provide them with better tools to enjoy their travel. Whatever we can do on the back end—if that means giving [select corporates] unfettered access to data—not a problem. We have platform services available that facilitates that now, we didn't before, and we want to be on the forefront of blockchain and other payment and contract innovation."

TMCs aren't the only intermediaries in question. Payment platforms, too, with merchant fees, crossborder fees and transaction fees on the network, parse out percentages across multiple stakeholders in the payment chain. New technologies like blockchain demonstrate how mature companies may move forward to eliminate these baked-in payment costs, opting instead to forge direct payment relationships with trusted suppliers. Driving fees out of the payment process would potentially put millions up for grabs in large programs, opening space for buyers to negotiate lower rates predicated on direct payment agreements and suppliers still to realize increased revenue.

The foundation for the future begins with data the industry already has, and with basic capabilities already in play. We've seen companies create programmatic automation on "if, then" capabilities to tackle issues like hotel attachments and advanced air bookings. EY recently launched a "bot" programmed to chase incomplete travel bookings across its 200,000-person traveler base. It pipes into its system both the TMC, booking tool and meeting registration data to determine which travelers require follow up messaging. Smaller programs than EY have automated data feeds to identify and chase both hotel attachment issues and non-compliant bookings and send emails to offending travelers. These are the right first steps, corporations must take their data initiatives way beyond savings and compliance to digitize the traveler. In a traveler-centric universe where managed travel objectives role up into the traveler experience, the data has to reveal traveler motivations and needs.

Microsoft Travel has begun this process by creating the role of global employee experience lead to understand the traveler as a customer. Because the experience lead cannot get personal with tens of thousands of travelers, the role is largely data driven, turning every traveler into his or her collective data and then clustering travelers with similar behaviors and preferences.

Microsoft uses feeds from 11 data sources that include traditional travel data like booking and expense, but also unstructured data via internal social networks and travel surveys to create this view of the traveler. The company has applied machine learning and artificial intelligence techniques to create four traveler types—what the company calls "personas"—to begin to tailor the travel program to the needs of these traveler clusters. What policies should apply to each group? What suppliers do they frequent, and can the company source particular benefits or solve protracted supplier issues for any of these groups? Are there bleisure travel behaviors that the company needs to acknowledge and support? These are just a few of the questions

Microsoft's experience manager has answered through data modeling and working with personas.

But digitizing the traveler has to go deeper, and it likely ends with the concept of a "super" profile or a "smart" profile for every business traveler. This profile not only holds traditional travel data like corporate card information, meal preferences, loyalty status with suppliers, cell phone number and emergency contacts, but also merges with human resources data and encompasses personal data like hobbies and recreational preferences. Plus, the traveler profile should get smarter via a machine learning layer that consumes booking data, changes, cancellations as well as expense data that would show restaurant preferences and other spend patterns that over time reveal deeper insights about the traveler and, perhaps in the case of Microsoft, automatically assign them to a persona.

Whereas current traveler profiles sit with both the TMC and with individual suppliers for loyalty programs, the innovation participants predict the super profile will sit with the corporation or even a third party that would make this profile transferable when the employee moves, with data flowing in from multiple sources. Control of the profile, however, would largely fall to the individual traveler. The traveler would decide how much information they allow the corporation to consume; they would need to approve how that information is used and shared with suppliers with the understanding that the less they share, the less personalized their business travel experiences will be.

Corporations will need to ensure education around the power of the profile, but also the potential risks of sharing their data. Ultimately, decisions on how fully travelers complete the profile must be left to the traveler. Companies that can move toward creating a "smart" profile for each traveler will empower travel program managers to "own" their customers and build loyalty and trust by delivering an intuitive, predictive and personalized program.

In this scenario, rich traveler data becomes valuable new currency corporate travel managers and travelers themselves can share and/or leverage across the supplier ecosystem. Corporates will prioritize partners that not only deliver quality data to inform the traveler profile but also those that can consume the data to deliver relevant products and services. That means content distributors, online booking tools, TMC partners, travel suppliers and new entrants must offer open systems with application programming interfaces that facilitate data transfer both into and out of their solutions.

That capability will drive the traveler centricity at the heart of future travel programs, and the demand for it may drive corporates to new platforms.

CONTENT DISTRIBUTION

The International Air Transport Association's New Distribution Capability has had to claw its way to acceptance over the last six years, but the standard built a lot of momentum in 2017 and now offers the industry hope that distribution change is on the horizon, even in familiar channels. Travelport was the first GDS provider to become NCD Level 3 certified in 2017; Amadeus and Sabre won't be far behind.

NDC offers a data standard that distribution stakeholders—airlines, GDS systems, agencies and other content aggregators and outlets—can use to communicate among one another. The lack of flexibility in the current GDS data structure inhibits airlines from merchandising their product because the GDS system actually constructs the offer: The GDS goes to the Airline Tariff Publishing Co., to OAG, then finally to the airlines for availability. Then, the GDS builds the offer. Current communication standards cannot accommodate variations and are limited to the basic fare schedules filed with ATPCO, without the ability to add ancillary products like checked-bag, lounge access or upgrades.

In NDC, airline-to-GDS communication would eliminate the stops at ATPCO and OAG for fares. Instead, airlines themselves expose an API where the offer is already constructed. The GDS consumes that offer and displays it back to the agency or the online booking tool. As a result, airlines using the NDC model will be able to craft fare bundles for different companies or even for different groups of travelers in the same company.

That's a big opportunity for a large corporate travel program like Microsoft, where corporate travel administrators have done the work to understand what different travelers need. Sourcing managers at Microsoft, and other companies, are eager to negotiate on ancillary products, which drive value to the bottom line as well as to travelers.

Not Always Welcome

Acceptance of NDC has developed only as it has become clear to GDS and TMC stakeholders that the new standard will not disintermediate established financial models—i.e. TMC backend incentives for meeting GDS thresholds seem to be safe for the moment. In that environment, if GDSs move quickly enough to establish themselves as the de facto content source for NDC, then the new capabilities need not threaten the financial balance of power in the industry. At least for the short term.

Mature corporates, however, may not be so quick to accept the de facto solution. With negotiated rates optimized in the current structures, the way to drive down costs and deepen supplier relationships is to disrupt the structure. NDC still has the potential to make this happen, and suppliers are motivated to reduce their distribution liabilities at least as much as corporates want to capitalize on potential pass-through savings and new benefits.

In Conversation: Corporate Travel Innovation Participants

"Economic incentives are the biggest. It's saving money. If you're paying large fees to TMCs which then go to GDSs as well, you have double marginalization. That's a big problem."

We've now seen Europe's three major airlines impose penalty surcharges on GDS bookings to force the issue of TMCs direct connecting through NDC standard APIs. Either TMCs will pass the charge to corporates or they'll have to absorb the hit themselves. In the United States, American Airlines took the carrot approach, as opposed to the stick, offering TMCs a $2 incentive for all fare segments booked through a full, end-to-end Level 3 NDC connection with the carrier, not through the GDS.

Changes to distribution models may not be limited to NDC facilitating merchandising through the GDS and TMC direct connects. Concur has worked for years to create a direct connecting marketplace for open booking through TripLink. NDC standards, which Concur adopted last year, could speed that process.

In Conversation: Corporate Travel Innovation Participants

"We want single content, which is all suppliers and all inventory levels, to make it easy to book across our booking channels. We want rich content [with insight] into the brand differences, hotel ratings, on-time performance. And we want it customized for my company with dynamic offers that go in and out of the program to delight our travelers. Maybe it's lounge access or upgrades, whatever those might be. That's the kind of program we want to be able to negotiate and deliver."

Innovation Summit participants pushed the limits of disintermediation, in theory, considering distribution models that might dispense with both the GDS and the TMC. New entrants like Winding Tree are looking at distribution models built on the blockchain, where the database serves as a repository for all travel content written to a set standard and anyone—corporates, TMCs, airlines, hotels, online travel agencies, tour operators—can plug into the system.

With the decentralized, open source model Winding Tree espouses, anyone can build an operating system on top of the database, but all the data structures going through the platform are the same. The innovation competition falls to developers on how to build upon the database. A future in which customized, single-source corporate travel marketplaces tailored to the needs of individual companies and multilevel policy allowances per type of traveler was on the innovation slate. The blockchain approach, at least theoretically, fit the bill. Plus, blockchain could also automate smart contracts, payments and refunds (including details like taxes or regulated compensation for flight delays and cancellations in Europe) because all the relevant data, terms and contract triggers can live in the decentralized reservoir.

AGENCY & ONLINE BOOKING TOOL: THE AI FUTURE

Even with financial transparency issues, the travel agency passed the "indispensability" test for both the travel buyers and travel suppliers at the Innovation Summit, largely for the role they play in travel disruption scenarios—on both sides of the fence. Travel program managers have little interest in absorbing the responsibility for disruption management and must rely on their agencies for communication support and traveler re-accommodation. On the other hand, suppliers also pull in agency support during widespread disruptions to handle inquiry volume for both leisure and corporate travel.

In Conversation: Corporate Travel Innovation Participants

"We know the airlines can't manage all our bookings. We know that the hotels don't, and they don't want to. It's too expensive a proposition. The model today has been very efficient; it really has. Maybe not cost-wise, but efficient from a handling perspective. Those calls have to go somewhere. So we need a model that can provide assistance for those travelers who need help. Because the hotels and airlines do not want those calls."

That said, summit participants called on TMCs to evolve quickly with artificial intelligence platforms that would act as the first line of contact, not only for re-accommodation during a disruption, but for all traveler inquiries. Summit participants demanded anticipatory solutions that would scan calendars and meeting appointments for potential travel occasions and then ping travelers to suggest making a travel booking, complete with recommendations based on their own past bookings or other travelers like them.

This requirement goes back to the digital traveler profile and the need to feed data back and forth across systems to produce relevant recommendations that gain traveler trust. That trust will define success and it will be realized when AI powered booking solutions can offer the exact choice—for example, the same room the traveler rated as five stars on her last trip to that market or an aisle seat in premium economy on the airline where the traveler has the best chance of an upgrade. Some summit participants made exceptions for complex itineraries, while others pushed back that complex itineraries should be ripest for AI intervention given the number of searches and the amount of data and rules an agent would process to arrive at a solution. At the very least the agent should be outfitted with AI tools that deliver options to be quality checked for context and applicability to the client.

According to summit participants, agents proved their real mettle in emergencies and widespread service outages. Even so, AI solutions could come into play, searching in the background for transportation alternatives. This specific value proposition led some summit participants to view live TMC agents as an insurance policy for their programs. They even suggested TMC and risk management companies might ultimately merge. High-touch programs and VIP services came into play, however, where participants viewed agents as fulfilling a valuable role. Agents are also a good solution in a subjective world based on favors and agent judgment, however in an objective world where seat selection, upgrades and available rooms are based entirely on system rules, computers are much better at finding alternatives.

In Conversation: Corporate Travel Innovation Participants

"Solutions vary because you can break tickets and bring your rates down, and I'd much rather [the agency] did it than I had to do it."

"I'm not asking you to do that; the machine can do all of that because it's just data. That's what computers are really good at, but the OBTs, right now, don't even have logic."

"The solution is to integrate everything with a really good AI layer."

Agencies must change their value proposition. Human agents should not provide booking and fulfillment services. AI-powered travel booking and "travel personal assistant" startups are building a nascent client base in the corporate space and some are focusing on developing AI-powered content aggregators and booking tools that should serve as the next generation TMC platform.

Senior TMC and travel technology veterans—both consumer and managed—have defected from traditional agencies, online travel agencies and online booking tool providers to pursue AI for business travel. The rationale is that business travelers are the most frequent travelers, and AI requires frequent data inputs to return smart results. That's especially true for large corporations with thousands of business travelers, and if they can't rely on their agencies to offer the right tools, they will invest their money elsewhere for the service.

DESTINATION EXPERIENCE: TARGETING RECRUITMENT & RETENTION

Artificial intelligence extends to a new set of tools entering the managed travel space—destination experience tools. Microsoft adopted and helped to build out technology that they later licensed to startup company Tripism after experimenting with a proprietary internal tool for several years. The objectives of such tools touch traveler experience and the ability to create a customized universe for corporate travelers: office and preferred hotel locations are mapped, travelers can rate and share their destination experiences, provide on-the-ground intel about any given market to ease the experiences of other travelers, make recommendations and even connect with other colleagues in the destination. Drawing on traveler input and matching back to the "smart" traveler profile, the tool itself can then begin to make recommendations to travelers itself. With sufficient adoption and inputs, destination experience tools ultimately become an automated concierge system for corporate travelers, earning their trust, easing the trip planning process, forging social connections among employees and driving productivity.

Such tools also touch the "bleisure" travel boom that managed travel administrators are confronting, and many are scrambling to address from a program and policy standpoint. One buyer participant said 80 percent of attendees from one country at a recent company event had leisure deviations on the front or back end of their business itinerary. Destination experience tools can support planning for those travelers as well, and it goes without saying that travel managers should consider how tracking and harnessing that leisure volume could enhance current supplier deals, while providing benefits for personal travel.

In Conversation: Corporate Travel Innovation Participants

"The travel program offers the company a great opportunity to support recruitment and retention efforts. Tools like this show employees that we want to support them and even wow them—making the business travel experience so positive that they never want to leave the company."

Optimizing destination experience tools takes more than a great platform; it takes robust adoption. Gamification techniques to award interactions with destination tools could be key to getting started. Once the tool becomes smart enough to return recreational recommendations that align with the personal hobbies defined in the traveler profile and suggests that great vegetarian restaurant close to the traveler's preferred hotel, the insights become the incentive to use the tool and destination experience tools become an integral part of the trip planning process.

In Conversation: Corporate Travel Innovation Participants

"Because travel has become so onerous, we are actually seeing filter points in a lot of organizations where it's hard for HR to find individuals to fill certain roles because the jobs require so much travel. Nobody wants to do this anymore because it's such a nightmare. We have to make sure that if the employee travels a lot, it's not a nightmare."

Funding such products could present a challenge in some companies, but particularly in verticals like technology, consulting and finance where talent wars are in full force, destination experience tools could command real attention. Summit participants suggested engaging HR as a recruitment and retention stakeholder and tapping that department for funding such tools, rather than going back to a travel or procurement budget.

If HR isn't ready to commit? Summit participants said, "Do it anyway," by conducting a pilot with a smaller group of employees. Prove the success and then go to HR with a proof of concept that makes the project difficult to ignore.

PAYMENT BEYOND THE TRANSACTION

"Why is any corporate traveler taking out a plastic card to pay a preferred supplier?" That was the crux of the issue posed at the Innovation Summit where payment—or the lack of payment—was key to streamlining the traveler experience.

Unlike the sharing economy boom with Uber and Airbnb, for example, where overwhelming consumer adoption of new platforms dragged the corporate travel program along behind, payment platform change has become an opportunity for the corporate to drive the consumer experience—at least in the United States and Europe where traditional banking relationships and credit card usage still dominate the payment landscape.

Payment program managers have been trying to leverage 20-year-old virtual card technologies that finally landed in the corporate travel space about five years ago. They have addressed a lot of backend problems like fraud prevention, cost center reallocation and reconciliation, but VCCs have complicated the traveler experience, thanks to antiquated fax confirmations and rejection at hotel front desks. That friction translates into costs, either additional TMC services or lost traveler productivity, and that's on top of the credit card transaction and merchant fees.

Hotels have little motivation to change processes, configure technologies and educate front desk employees for yesterday's payment tools. Yet, tomorrow's platforms have yet to be clearly defined.

In Conversation: Corporate Travel Innovation Participants

Once that process is intelligent, we can add compliance. We can now look at compliance before the payment happens. The smart contract knows that WiFi is negotiated into the contract and, therefore, the traveler won't be allowed to pay for it. The contract can also be configured to apply compliance parameters to different traveler types. If the traveler type is included in the booking, then the smart contract executes spend allowances and payment on that level of the agreement."

Indeed, payment platforms are ripe for innovation, and mature program managers with a global view are aware of mobile-first solutions like Alipay, WeChat and Tencent that have exploded in the Chinese consumer market. Tech-oriented travel managers are also eyeing blockchain for payment solutions. They acknowledge, however, that crypto currencies may seem too far out for most suppliers to accept right now. Even so, these are the developments that engender new ideas about how to spend corporate travel money smarter, better, faster and cheaper. All while providing the traveler with an upgraded, we've-got-that-covered-for-you experience. Yet the corporate still needs control over what it is willing to spend.

Enter the smart contract. Smart contracts executed on the blockchain are poised to impact the managed travel market in 2018. They are coded with all agreement details and digest relevant data to trigger transparent payments. Innovation Summit participants rallied around smart contracts particularly for hotel agreements and payment, but without the cryptocurrency element—at least for the moment. Instead, summit participants envisioned leveraging a third-party payment transfer partner that would allow corporates to drive credit card fees out of the equation by transferring payment from the buyer's account to the supplier.

Implementing such agreements and processes will likely start small. With a one-to one, supplier-buyer test or perhaps a pilot that includes a handful of trusted suppliers and a group of frequent travelers. But the pieces to execute a new payment model exist today.

Payment, however, is a unique area for travel program managers in that the choice of providers is often dictated by larger treasury relationships. If new processes remove significant revenue percentages from a corporation's treasury partners, it could be a nonstarter. If those same banks are participating in emerging payment models, they may still be able to participate and drive value. But like travel content distribution, there are entire industries built on these fees to the point where taking them largely off the table in terms of travel spend could destabilize supplier relationships that are important to other parts of the corporate's business.

That said, direct payment solutions are coming. Alipay entered the U.S. market last May, inking a deal with First Data for payment processing and onboarding 4 million retailers. Travel dynamics are a particular concern: As Alipay's 450 million mostly Chinese users travel more frequently to the U.S. and Europe, their customary mobile payment models have leapfrogged antiquated plastic cards, and there's concern in tourism markets that payment platform decisions will determine which retailers will capture those tourism dollars (and euros), and which ones won't. The same will eventually be said for corporate travel dollars, which means internal resistance can only hold out so long.

PATHS FORWARD

Data, data and more data. All travel program managers need to focus on their data and learn how a data-driven, digitized travel program powers the traveler experience, enhances the program's value proposition for all stakeholders and right sizes the travel investment. They must also understand the value of their data, and the importance of owning their traveler data—not just for spend and behavior analysis but as a window to their corporate traveler customers.

Innovation can start small. 2018 should be the year of the pilot program, with mature corporate programs looking at their innovation wish lists and matching them either with willing current partners or finding startups willing to hammer out new models. First-movers have cut the beginnings of these paths, but it's up to additional companies to take calculated risks if they want to realize the rewards that come with shaping new models.

Work together. Like-minded companies and those with similar structures and suppliers should consider working together on larger corporate travel transformation projects. Exerting joint pressure on suppliers will motivate them to break the mold—especially if they know there are deeper relationship gains to be made with more than one large corporate program.

Balance risk and value. There will always be risks associated with innovation. Perhaps the biggest risk of disintermediating traditional models is the likelihood that new solutions won't be fully realized before the corporation is forced to abandon the old solution. Current partners are unlikely to take kindly to supporting a transition that leaves them on the losing side of a financial equation. However, the more corporations that can move together toward innovation goals the more they can exert pressure on partners to adapt to change. There will also be financial winners in the innovation game, and those partners must be rewarded for their work.

Call attention to innovation. For companies that take on the challenge of innovation, there's a concurrent imperative to publicize those efforts. At industry conferences, via press announcements or agreements with media outlets to follow and document the developments—sharing innovation efforts both exposes the inertia baked into current industry structures and invites other innovators to explore alternatives. Even small efforts can expose big opportunities to enhance traveler experience and optimize program.

CAN IT HAPPEN?

One Innovation Summit participant asked what would happen if industry intermediaries just evaporated overnight. Corporations would still be able to book and execute travel, he said, and added that large corporate travel programs would finally be motivated to get together and define what they want from an end-to-end provider. He predicted that a venture capitalist would fund that company overnight. "The corporates would have to sign a letter or something, but somebody could build that company in 18 months." Evolution or Revolution? That is the billion-dollar question.

Innovation can happen now. Let's work together!

Microsoft Travel thanks its partners and like-minded corporate travel buyers for their contributions to the Corporate Travel Innovation Summit. This meeting and document are a first, not a final, effort from this collaborative group.